

**SCHOOL DISTRICT**  
**OF**  
**TOWNSHIP OF MAURICE RIVER**

**COMPREHENSIVE ANNUAL**  
**Financial Report**

**of the**

**Township of Maurice River Board of Education**

**Port Elizabeth, New Jersey**

**or the Fiscal Year Ended June 30, 2015**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**Township of Maurice River Board of Education**

**Port Elizabeth, New Jersey**

**For the Fiscal Year Ended June 30, 2015**

**Prepared by**

**Maurice River Township Board of Education**

**Finance Department**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

**EXHIBIT**

**Page**

Letter of Transmittal	1 - 5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

**FINANCIAL SECTION**

<b>Independent Auditor's Report</b>	9-10a
-------------------------------------	-------

<b>Required Supplementary Information – Part 1 Management's Discussion and Analysis (Unaudited)</b>	11-19
---	-------

**Basic Financial Statements**

**A. District –wide Financial Statements:**

A-1 Statement of Net Position	20
A-2 Statement of Activities	21

**B. Fund Financial Statements:**

Governmental Funds:

B-1 Balance Sheet	22
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	23
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	24

Proprietary Funds:

B-4 Statement of Net Position	25
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	26
B-6 Statement of Cash Flows	27

Fiduciary Funds:

B-7 Statement of Fiduciary Net Position	28
B-8 Statement of Changes in Fiduciary Net Position	29

<b>Notes to the Financial Statements</b>	30-52
--	-------

<b>Required Supplementary Information – Part II</b>	53
---	----

**C. Budgetary Comparison Schedules (Unaudited):**

C-1 Budgetary Comparison Schedule – General Fund	54-60
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	N/A
C-1b Community Development Block Grant – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	61

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS**

**FINANCIAL SECTION (Continued)**

	<u><b>Page</b></u>
<b>Notes to the Required Supplementary Information – Part II</b>	
C-3 Budget-to-GAAP Reconciliation	62
<b>Required Supplementary Information - Part III</b>	
<b>L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited)</b>	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability – PERS	63
L-2 Schedule of District Contributions – PERS	64
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability – TPAF	65
<b>Notes to the Required Supplementary Information – Part III</b>	<b>66</b>
<b>Other Supplementary Information</b>	
<b>D. School Based Budget Schedules (if applicable)</b>	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
<b>E. Special Revenue Fund:</b>	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	67
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	68
<b>F. Capital Projects Fund:</b>	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	N/A
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	N/A
<b>G. Proprietary Funds:</b>	
<b>Enterprise Fund:</b>	
G-1 Combining Schedule of Net Position	69
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	70
G-3 Combining Schedule of Cash Flows	71



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS**

**Page**

**H. Fiduciary Fund:**

H-1	Combining Statement of Fiduciary Net Position	72
H-2	Combining Statement of Changes in Fiduciary Net Position	73
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	74
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	75

**I. Long-Term Debt:**

I-1	Schedule of Serial Bonds	76
I-2	Schedule of Obligations under Capital Leases	N/A
I-3	Debt Service Fund Budgetary Comparison Schedule	77
	LEFT INTENTIONALLY BLANK	78

**STATISTICAL SECTION (Unaudited)**

**Introduction to the Statistical Section**

**Financial Trends**

J-1	Net Position by Component	79
J-2	Changes in Net Position	80
J-3	Fund Balances - Governmental Funds	81
J-4	Changes in Fund Balances, Governmental Funds	82
J-5	General Fund Other Local Revenue by Source	83

**Revenue Capacity**

J-6	Assessed Value and Estimated Actual Value of Taxable Property	84
J-7	Direct and Overlapping Property Tax Rates	85
J-8	Principal Property Taxpayers	86
J-9	Property Tax Levies and Collections	87

**Debt Capacity**

J-10	Ratios of Outstanding Debt by Type	88
J-11	Ratios of General Bonded Debt Outstanding	89
J-12	Direct and Overlapping Governmental Activities Debt	90
J-13	Legal Debt Margin Information	91

**Demographic and Economic Information**

J-14	Demographic and Economic Statistics	92
J-15	Principal Employers	93

**Operating Information**

J-16	Full-time Equivalent District Employees by Function/Program	94
J-17	Operating Statistics	95
J-18	School Building Information	96
J-19	Schedule of Required Maintenance Expenditures by School Facility	97
J-20	Insurance Schedule	98

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
TABLE OF CONTENTS**

	<u>Page</u>
<b>SINGLE AUDIT SECTION</b>	
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	99-100
K-2 Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Financial Assistance required by New Jersey OMB Circular Letter 04-04	101-102
K-3 Schedule of Expenditures of Federal Awards - Schedule A	103
K-4 Schedule of Expenditures of State Financial Assistance - Schedule B	104
K-5 Notes to the Schedules of Awards and Financial Assistance	105-106
K-6 Schedule of Findings and Questioned Costs	107-111
K-7 Summary Schedule of Prior Audit Findings	112

## **INTRODUCTORY SECTION**



## MAURICE RIVER TOWNSHIP SCHOOL DISTRICT

---

PO DRAWER D, 3593 SOUTH DELSEA DRIVE • PORT ELIZABETH, NEW JERSEY 08348  
Telephones: Administrative Office (856) 825-7411 • Business Office (856) 825-6921 • Fax: (856) 825-1248

November 16, 2015

Honorable President and  
Members of the Board of Education  
Maurice River Township School District  
Cumberland County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Maurice River Township Public School District for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

### **1. REPORTING ENTITY AND ITS SERVICES:**

The Maurice River Township Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Maurice River Township Board of Education and its school constitute the District's reporting entity.

The District is limited in its ability to fund a full range of educational services appropriate to grade levels PK through 8. These limitations in programs and services apply to both regular as well as special education for handicapped children. The District completed the 2014-2015 fiscal year with a June enrollment of 424 students, which is 1 student more than the previous year. The following details the changes in the student enrollment of the district over the last ten years.

**Average Daily Enrollment**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2014-15	424.0	.24
2013-14	423.0	(2.34%)
2012-13	436.2	11.64%
2011-12	393.4	5.72%
2010-11	372.1	(3.97%)
2009-10	387.5	(2.64%)
2008-09	398.0	.63%
2007-08	395.5	.79%
2006-07	392.4	(3.35)%
2005-06	410.8	0.17%

**2. ECONOMIC CONDITION AND OUTLOOK:**

Maurice River Township is not experiencing any measurable growth or decline in development or expansion. There are no large businesses located in the Township, but the small cottage industry stores, restaurants, and antique stores continue to thrive. There is some potential for growth at the major intersections drawing traffic to the shore areas. The Township is seeking clean industry in harmony with the environmentally sensitive areas. It is significant to note that the Township is approximately 95 square miles, with about 50% of the land either state-owned or state-managed. This helps promote the appeal for water related activities, conservation activities with the bay area and pristine river ecosystem, and preserves the ruralness and provinciality unique to the Township. There are three prison sites located in the Township, which provide major employment for local residents. A state prison in nearby Fairfield Township provides employment opportunities at that site. The net valuation taxable of Maurice River Township for 2015 is \$301,072,547, which is more than the prior year by \$367,252.

Sand mining was a major industry in the Township through the 1970's, but because of the shift from glass bottles to plastic, the need for sand in glass manufacturing has been in steady decline since that time. Rail service connected to this industry has also declined. Other industry includes several marinas, one shipyard industry, and several cottage stores and restaurants. Developers who are interested in sites in the Township must seek state approval from various regulatory agencies, such as Pinelands, Wetlands, and/or the Department of Environmental Protection.

However, the District continues it's "Choice" District status and will receive additional funding for students who choose to participate in this program. The District is hopeful that it will continue to attract choice students, thereby increasing its enrollment and state aid. The school district receives nearly \$2.00 in state aid for every \$1.00 levied by local taxes.

**3. MAJOR INITIATIVES:**

Maurice River Township School District prepares all students for success at the high school level. Technology, Professional Staff Development, Inter-district Collaboration and N.J. Core Curriculum Content Standards play a major role in this initiative. Technology plays an increasingly important role in the curriculum, including the installation of Smartboard Technology for grades K-8 with laptops and professional development training for all teachers, the creation of three state of the art computer labs; installation of a wireless network, and an IPOD Program. Students may conduct research through controlled access to the Internet, enhancing research and writing skills.

### **3. MAJOR INITIATIVES (CONT'D):**

In addition to Smartboard Technology, each classroom at the Maurice River Township Elementary School has its own television, VCR and communications system to enhance the curriculum in areas, such as, distance learning, science, geography, and foreign language. The students broadcast daily on the MRT-TV station.

During the 2011-2012 and 2012-2013 school years, the school district purchased and implemented "The Marzano Teaching Evaluation Method", a web-based teacher evaluation program required by the State of New Jersey. During 2013-2014 a new web-based student assessment program was purchased for implementation of the "RTI" program.

The District was also fortunate enough to purchase new math, language arts, reading, science and social studies texts and resource materials, for implementation in the 2011-2012 and 2012-2013 school years. New desks and chairs were purchased for grades K through 6 and new computers, tables and chairs were purchased for the newly established third computer lab. The District has been chosen to pilot PARCC testing, and is already technologically equipped to handle this new state testing format. During the 2014-2015 school year, chromebooks were purchased to further accommodate PARCC testing and to provide a mobile technological resource for the middle school students. A state of the art interior and exterior surveillance system has been installed. The transportation fleet has also been equipped with an updated surveillance system. The Board of Education has succeeded in allocating resources to positively improve student achievement by focusing upon improvements in the delivery of instruction, professional development programs, and providing the most current instructional materials, technology and other resources for its teachers. The district has now begun to move in the direction of facility improvement to maintain the functionality of its current facility. With 2014-2015 surplus monies, the district seal coated and re-lined its parking lot, re-roofed the board office and shed, re-painted its playground equipment and landscaped the lawn area in front of the school building. The District hopes to continue these facility/grounds improvements.

The district provides adequate medical services and student services, including guidance and counseling, programs for at-risk, special education and Title One students, and has a pre-school program. Special education services are provided through self-contained settings, In and Out of class placements and In and Out of class support. The district has trained two staff members in the FAST hands-on science program, for grades five through eight. Grades K-4 use a hands-on program. Peer mediation and conflict resolution are taught through leadership training activities in an on-going manner through the school year.

The Board of Education has established a mission and philosophy for the district and promotes a global, multi-curriculum. The mission includes the concept of community as it relates to students. The Board of Education attempts to plan budgets in a prudent fiscal manner, but the unknown variables are the future of school funding from the State of New Jersey and the payments of tuition to the Millville School District.

The District's "Choice" status has partially offset the effect of these variables. The limitations being placed on Choice are concerning.

In summary, the district, despite economic constraints, has succeeded in providing a state of the art innovative, integrated curriculum, with current technology and resources. The provision of these resources has positively and beneficially impacted student achievement. The district looks forward to continuing its "Choice District" status to increase enrollment and ensure its future existence.

#### **4. INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control process is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### **5. BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

#### **6. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

#### **7. DEBT ADMINISTRATION:**

On January 1, 1998 the District incurred bond indebtedness for \$2,994,000 for a facility project to be amortized over the next 25 years. The balance in bonds payable at June 30, 2015 is \$1,025,000.

## **7. DEBT ADMINISTRATION:**

On January 1, 1998 the District incurred bond indebtedness for \$2,994,000 for a facility project to be amortized over the next 25 years. The balance in bonds payable at June 30, 2015 is \$1,025,000.

## **8. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **9. RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

## **10. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, CPA, RMA of the accounting firm of Nightlinger, Colavita, and Volpa, P.A., was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

## **11. ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Maurice River Township School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



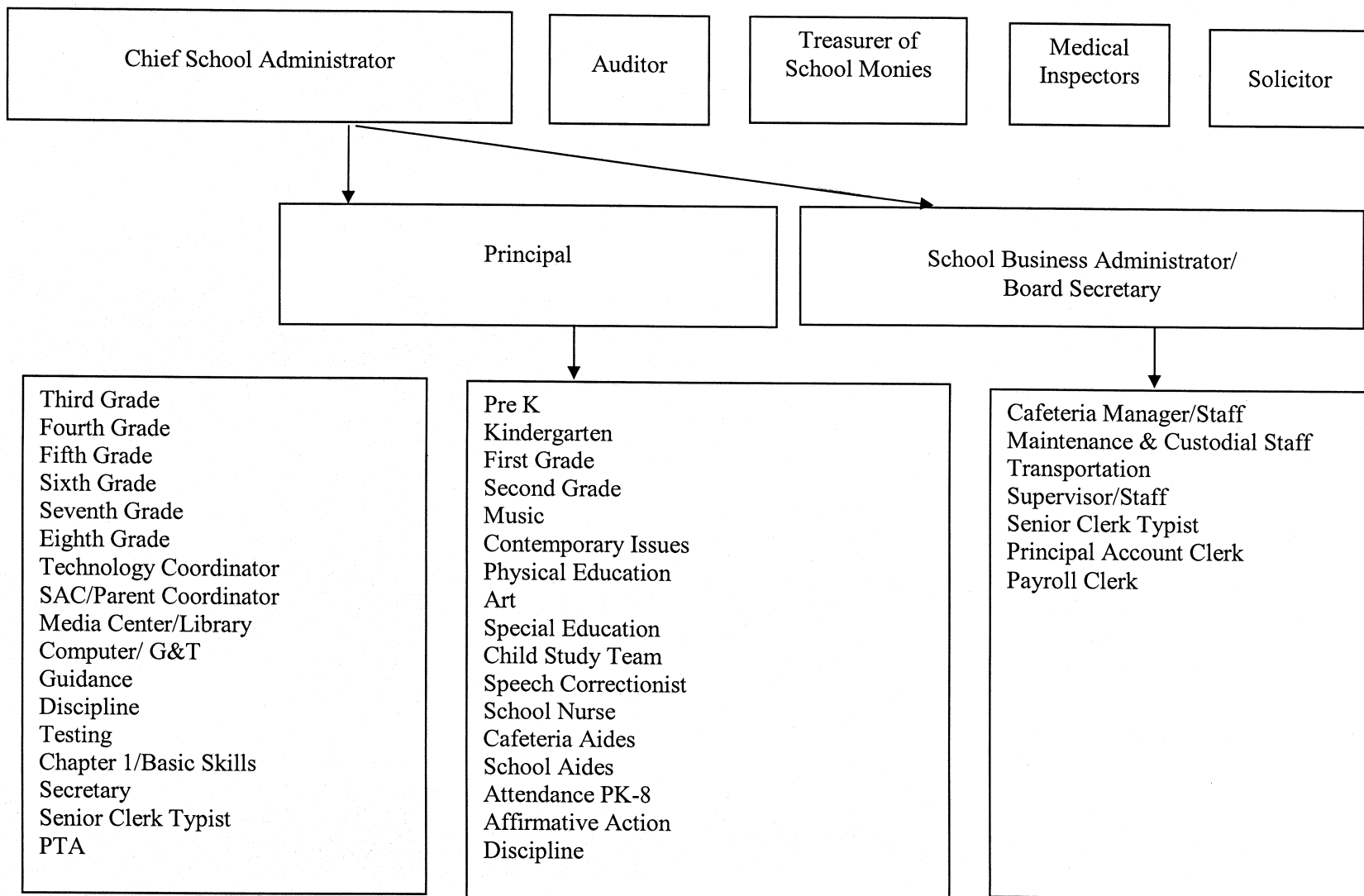
Mr. Walter Kappeler, Jr., Superintendent of Schools



Patricia Powell, School Business Administrator/Board Secretary



Township of Maurice River School District  
Organizational Chart



**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**PORT ELIZABETH, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2015**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Penny Wells, President	2015
Donna Justis, Vice President	2015
Robert Chard	2017
Charles Ciaurelli	2017
Crystal Devlin	2015
Samuel Peterson	2015

**OTHER OFFICIALS**

Mr. Walter Kappeler, Jr., Chief School Administrator

Patricia A. Powell, School Business Administrator/Board Secretary

Sharon Lamb, Custodian of School Monies

Frank DiDomenico, Esq., Solicitor

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Raymond Colavita, C.P.A., R.M.A.**  
**Nightlinger, Colavita and Volpa**  
Certified Public Accountants  
991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Frank DiDomenico, Esquire**  
8 LaSalle Drive  
Vineland, NJ 08360

**OFFICIAL DEPOSITORY**

**Bank of America**  
Commerce and Laurel Streets  
Bridgeton, NJ 08302

Branch Offices in Millville, NJ 08332

**INSURANCE AGENT**

**Conner Strong & Buckelew Companies, Inc.**  
The Porch Agency  
123 Rosenhayn Avenue  
Bridgeton, New Jersey 08302

**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

November 16, 2015

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Maurice River Township School District  
County of Cumberland, New Jersey 08348

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Maurice River Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Township of Maurice River School District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Maurice River Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary information*

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 19 and 54 through 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Maurice River Township Board of Education's, financial statements as a whole. The accompanying introductory section, and other supplementary information such as the combining and individual non-major fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by United States Office of Management and Budget, Circular A-133, ***Audits of States, Local Governments, and Non-profit Organizations*** and New Jersey OMB's Circular 04-04 and/or 15-08, ***Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid***, respectively and is also not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2015 on our consideration of the Maurice River Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governments Auditing Standard and should be considered in assessing the results of our audit.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**

A handwritten signature in black ink, appearing to read "Raymond Colavita", written in a cursive style.

Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

---



**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
MAURICE RIVER TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**UNAUDITED**

The discussion and analysis of Maurice River Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2015 are as follows:

- ❖ General revenues accounted for \$7,664,858 in revenue or 83% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,587,146 or 17% percent to total revenues of \$9,252,004.
- ❖ Total net position of governmental activities increased by a net amount of \$67,608 in the areas of cash and cash equivalents and capital assets.
- ❖ The School District had \$9,177,624 in expenses of which \$1,587,146 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and Federal and State Aid not restricted) were adequate to provide for these programs.
- ❖ The General Governmental Fund had \$8,000,857 in revenues, \$7,861,738 in expenditures and \$25,000 in transfers to the Food Service Fund. The General Fund's balance increased \$114,119 over 2014. This increase was anticipated by the Board of Education.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Maurice River Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Maurice River Township School District, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business-type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### **Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

## The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities.

Table 1 provides a summary of the School District's net position for the years ended in 2015 and 2014.

Table 1  
Net Position

	2015	2014
<b>Assets</b>		
Current and Other Assets	\$ 1,247,349	\$ 1,121,393
Capital Assets, Net	2,794,211	2,988,754
Total Assets	4,041,560	4,110,147
<b>Deferred Outflows of Resources</b>		
Deferred Pension Outflows	121,808	
<b>Liabilities</b>		
Long-term Liabilities	1,090,059	1,230,697
Other Liabilities	1,675,627	69,409
Total Liabilities	2,765,686	1,300,106
<b>Deferred Outflows of Resources</b>		
Deferred Pension Outflows	99,518	
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	1,769,211	1,823,754
Restricted	1,411,384	1,413,164
Unrestricted	(1,882,431)	(426,877)
Total Net Position	\$ 1,298,164	\$ 2,810,041

Table 2 shows the changes in net position from fiscal year's 2015 and 2014.

Table 2  
Changes in Net Position

	2015	2014
<b>Revenues</b>		
Programs Revenues		
Charges for Services	\$ 49,401	\$ 53,764
Operating Grants and Contributions	1,537,745	949,033
General Revenues		
Property Taxes	2,799,487	2,704,788
Grants and Entitlements	4,788,495	4,836,896
Other	76,876	63,678
<b>Total Revenues</b>	<b>9,252,004</b>	<b>8,608,159</b>
<b>Program Expenses</b>		
Instruction	2,201,174	2,330,634
Support Services		
Tuition	2,311,928	2,776,199
Pupils and Instructional Staff	598,703	557,925
General Administration, School		
Administration, Business	504,886	487,712
Operations and Maintenance of		
Facilities	554,147	427,701
Security		20,145
Pupil Transportation	456,013	514,968
Employee Benefits	2,136,720	1,411,111
Interest on Debt	45,138	51,488
Food Service	176,967	189,693
Other	191,948	197,195
<b>Total Expenses</b>	<b>9,177,624</b>	<b>8,964,771</b>
<b>Increase in Net Position</b>	<b>\$ 74,380</b>	<b>\$ (356,612)</b>

## **Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District's total revenues from governmental activities were \$7,664,858 for the fiscal year ended June 30, 2015 and property taxes made up 37% percent of revenues for governmental activities for the Maurice River Township School District for fiscal year 2015. Federal, state and local grants accounted for another 62%. Miscellaneous revenues made up the remaining 1%. The net cost of all Governmental Activity programs and services was \$7,572,250. Instruction of \$2,201,174 comprises 24% of these expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that placed on the District by each of these functions.

**Table 3**

	<b><u>Total Cost of Services 2015</u></b>	<b><u>Net Cost of Services 2015</u></b>	<b><u>Total Cost of Services 2014</u></b>	<b><u>Net Cost of Services 2014</u></b>
Instruction	\$ 2,201,174	\$ 2,015,570	\$ 2,330,634	\$ 2,120,383
Support Services				
Tuition	2,311,928	2,311,928	2,776,199	2,776,199
Pupils and Instructional Staff	598,703	451,252	557,925	402,466
General Administration, School				
Administration, Business	504,886	504,886	487,712	487,712
Operation and Maintenance of Facilities	554,147	554,147	427,701	427,701
Security			20,145	20,145
Pupil Transportation	456,013	456,013	514,968	514,968
Employee Benefits	2,136,720	1,041,368	1,411,111	927,363
Interest and Fiscal Charges	45,138	45,138	51,488	51,488
Other	191,948	191,948	197,195	197,195
Total Expenses	<u>\$ 9,000,657</u>	<u>\$ 7,572,250</u>	<u>\$ 8,775,078</u>	<u>\$ 7,925,620</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

### Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses of \$176,967 were more than revenues by \$18,228. This decrease in net position resulted in an ending balance of \$77,132, which includes a transfer \$25,000 from the general fund.
- ❖ Charges for services represent \$49,401 of revenue. This represents the total amount paid by patrons for daily food services.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$109,338.

### The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$8,557,521 and expenditures of \$8,411,727. The net positive/negative change in fund balance was \$145,794. There was also a board contribution to the Food Service Fund, in the amount of \$25,000. The School District is, therefore, able to meet current operating costs with no urgent need for additional funds. Availability of surplus funds in the future will be an important factor in budgeting.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase/ (Decrease) from 2014	Percent Increase/ (Decrease)
Local Sources	\$ 2,876,363	33.7%	\$ 107,897	4.0%
State Sources	5,395,505	63.0%	(3,166)	-0.1%
Federal Sources	285,653	3.3%	(2,030)	-0.5%
Total	\$ 8,557,521	100.0%	\$ 102,701	1.3%

The increase in Local Sources is attributed to increases in, miscellaneous and interest earnings of \$11,802, local tax levy of \$94,699 and transportation charges of \$1,396.

The decrease in State Sources is attributed to decreases in general fund state aid of \$50,418, and grants for special projects of \$57,845, offset by increases in \$4,261 in the debt service fund.

The decrease in Federal Sources is attributed to various net decreases in special revenue awards of \$2,337, offset by increase in general fund federal aid of \$307.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2015.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 2,201,174	26.2%	\$ (129,460)	-6.0%
Undistributed Expenditures	6,022,190	71.5%	(178,218)	-3.3%
Capital Outlay		0.0%	(74,957)	-411.2%
Debt Service:				
Principal	140,000	1.7%	15,000	13.0%
Interest	48,363	0.6%	(6,250)	-9.8%
Total	<u>\$ 8,411,727</u>	<u>100.0%</u>	<u>\$ (373,885)</u>	<u>-4.8%</u>

The decrease in instruction is attributed to a decrease in regular instruction costs of \$129,259, special education costs of \$40,290, and offset by other special instruction costs of \$40,089.

The decrease in Undistributed Expenditures is attributed to decreases of \$464,271 in tuition, \$20,145 in security, and transportation of \$58,955, offset by an increase of \$40,778 in student & instruction related services, \$17,174 in school administration and central services, in student & instruction related services, \$126,446 in plant operations, and 180,755 in employee benefits.

The decrease in Capital Outlay expenditures is attributed to decreased expenditures for both instructional and support equipment of \$74,957.

The increase in Debt Service of \$8,750 is attributed to an increase in principle of \$15,000, combined with a reduction in interest payments of \$6,250 on the bond issue.

## General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2015, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the General Fund anticipated that revenues, along with surplus anticipated of \$743,213, would roughly equal expenditures, the actual results for the year shows a \$115,268 increase in revenue over expenditures. The overall positive variance, combining revenues with expenditures was \$858,481, as shown on Exhibit C-1.

- ❖ Actual revenues were \$9,416 less than expected, excluding contributions for On-Behalf Pension and Social Security State Aid of \$525,731. This was due to School Choice, Non-public Transportation and Extraordinary Aid of \$23,069, offset by reduced transportation fees to other LEA's and miscellaneous revenues of \$13,346 and Federal revenues of \$307. The result is a positive variance of \$516,315, as shown on Exhibit C-1.
- ❖ The actual expenditures were \$867,897 lower than expected, offset by the state On-Behalf Pension and Social Security aid of \$525,731, resulting in the reported favorable variance of \$342,166, as shown on Exhibit C-1.

## Capital Assets

At the end of the fiscal year 2015, the School District had \$2,794,211 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2015 balances compared to 2014.

Table 4  
Capital Assets (Net of Depreciation) at June 30

	2015	2014
Land	\$ 62,441	\$ 62,441
Land Improvements		4,559
Building and Improvements	2,427,909	2,517,106
Equipment	303,861	404,648
Totals	\$ 2,794,211	\$ 2,988,754

Overall capital assets decreased \$194,543 in fiscal year 2015. There were no increases in capital assets, and the decrease was for depreciation expense and retirements.



**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<b><u>Governmental</u></b> <b><u>Activities</u></b>	<b><u>Business-type</u></b> <b><u>Activities</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,131,105	\$ 37,084	\$ 1,168,189
Receivables, Net	57,022	19,695	76,717
Inventory		2,443	2,443
Capital Assets, Net (Note 5):	2,768,934	25,277	2,794,211
Total Assets	<u>3,957,061</u>	<u>84,499</u>	<u>4,041,560</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Pension Outflows	<u>121,808</u>		<u>121,808</u>
<b>LIABILITIES</b>			
Accounts Payable	35,782	3,690	39,472
Accrued Interest	20,956		20,956
Unearned Revenue		1,346	1,346
Net Pension Liability	1,613,853		1,613,853
Non-current Liabilities (Note 6):			
Due Within One Year	160,800		160,800
Due Beyond One Year	926,928	2,331	929,259
Total Liabilities	<u>2,758,319</u>	<u>7,367</u>	<u>2,765,686</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Pension Inflows	<u>99,518</u>		<u>99,518</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	1,743,934	25,277	1,769,211
Restricted For:			
Capital Reserve	90,000		90,000
Tuition Reserve	470,962		470,962
Maintenance Reserve	311,042		311,042
Emergency Reserve	250,000		250,000
Special Revenue (Deficit)	(7,628)		(7,628)
Other Purposes	297,008		297,008
Unrestricted (Deficit)	(1,934,286)	51,855	(1,882,431)
Total Net Position	<u>\$ 1,221,032</u>	<u>\$ 77,132</u>	<u>\$ 1,298,164</u>

**The accompanying Notes to Financial Statements are an integral part of this statement.**

## Debt Administration

At June 30, 2015, the School District had \$1,087,728 as outstanding debt. Of this amount \$62,728 is for compensated absences and the balance of \$1,025,000 for bonds related to school construction.

At June 30, 2015, the School District's overall legal debt margin was \$9,324,282 and the unvoted debt margin was \$8,299,282.

	<u>Date Of Issue</u>	<u>Amount of Issue</u>	<u>Balance at June 30, 2015</u>
Addition to the Elementary School Building Refunding Issue	1/1/2007	\$ 1,950,000	\$ 1,025,000

## For the Future

The Maurice River Township School District hopes to continue its "Choice" status to increase its student enrollment and Choice Aid funding. Through the use of Choice Aid funding, the district hopes to upgrade its facility and expand the services provided to students

In conclusion, the Maurice River Township School District has committed itself to excellence in education for many years despite its financial struggle to survive. The School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

## Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Patricia A. Powell, School Business Administrator/Board Secretary at Maurice River Township Board of Education, P.O. Box 464, 3593 S. Delsea Drive, Port Elizabeth, NJ 08348.

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Governmental Activities:						
Instruction:						
Regular	\$ 1,741,956	\$	\$ 185,604	\$ (1,556,352)	\$	\$ (1,556,352)
Special Education	413,385			(413,385)		(413,385)
Other Special Instruction	45,833			(45,833)		(45,833)
Support Services:						
Tuition	2,311,928			(2,311,928)		(2,311,928)
Student & Instruction Related Services	598,703		147,451	(451,252)		(451,252)
General and Business Administrative Services	146,857			(146,857)		(146,857)
School Administrative Services	155,858			(155,858)		(155,858)
Central Services	202,171			(202,171)		(202,171)
Plant Operations and Maintenance	554,147			(554,147)		(554,147)
Pupil Transportation	456,013			(456,013)		(456,013)
Employee Benefits	2,136,720		1,095,352	(1,041,368)		(1,041,368)
Interest on Long-term Debt	45,138			(45,138)		(45,138)
Unallocated Depreciation	191,948			(191,948)		(191,948)
Total Governmental Activities	9,000,657		1,428,407	(7,572,250)		(7,572,250)
Business-type Activities:						
Food Service	176,967	49,401	109,338		(18,228)	(18,228)
Total Business-type Activities	176,967	49,401	109,338		(18,228)	(18,228)
Total Primary Government	\$ 9,177,624	\$ 49,401	\$ 1,537,745	(7,572,250)	(18,228)	(7,590,478)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				2,702,847		2,702,847
Taxes Levied for Debt Service				96,640		96,640
Federal and State Aid Not Restricted				4,788,495		4,788,495
Transportation Charges				64,201		64,201
Investment Earnings				48		48
Miscellaneous Income				12,627		12,627
Transfer				(25,000)	25,000	
Total General Revenues, Special Items, Extraordinary Items and Transfers				7,639,858	25,000	7,664,858
Change in Net Position				67,608	6,772	74,380
Net Position—Beginning (Restated)				1,153,424	70,360	1,223,784
Net Position—Ending				\$ 1,221,032	\$ 77,132	\$ 1,298,164

The accompanying Notes to Financial Statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

**GOVERNMENTAL FUNDS**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,131,105	\$	\$	\$ 1,131,105
Receivables from Other Governments	13,457			13,457
Interfund Receivables	22,560			22,560
State Aid Receivable	28,633			28,633
Federal Aid Receivable		14,932		14,932
Total Assets	<u>\$ 1,195,755</u>	<u>\$ 14,932</u>	<u>\$</u>	<u>\$ 1,210,687</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 35,782	\$	\$	\$ 35,782
Interfund Payable		22,560		22,560
Total Liabilities	<u>35,782</u>	<u>22,560</u>		<u>58,342</u>
Fund Balances:				
Restricted for:				
Maintenance Reserve	311,042			311,042
Emergency Reserve	250,000			250,000
Tuition Reserve	225,962			225,962
Assigned:				
Year-end Encumbrances	223,760			223,760
Tuition Reserve - Designated for Subsequent Year's Expenditures	245,000			245,000
Capital Reserve - Designated for Subsequent Year's Expenditures	90,000			90,000
Designated for Subsequent Year's Expenditures	73,248			73,248
Unassigned, Reported In:				
General Fund (Deficit)	(259,039)			(259,039)
Special Revenue Fund (Deficit)		(7,628)		(7,628)
Total Fund Balances	<u>1,159,973</u>	<u>(7,628)</u>		<u>1,152,345</u>
Total Liabilities and Fund Balances	<u>\$ 1,195,755</u>	<u>\$ 14,932</u>	<u>\$</u>	
Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,244,311 and the accumulated depreciation is \$3,475,377 (Note 5).				2,768,934
Accrued interest is not due and payable in the current period and are therefore not reported as liabilities.				(20,956)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 6).				(1,087,728)
Deferred Outflow of Resources - Deferred Pension Contribution.				121,808
Deferred Inflows of Resources - Pension Actuarial Gains.				(99,518)
Long Term Net Pension Liability				(1,613,853)
Net position of governmental activities				<u>\$ 1,221,032</u>

The accompanying Notes to Financial Statements are an integral part of this statement.



**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 2,702,847	\$	\$ 96,640	\$ 2,799,487
Transportation Charges	64,201			64,201
Interest Earned	48			48
Miscellaneous	12,627			12,627
Total - Local Sources	2,779,723		96,640	2,876,363
State Sources	5,220,827	82,955	91,723	5,395,505
Federal Sources	307	285,346		285,653
Total Revenues	8,000,857	368,301	188,363	8,557,521
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	1,556,352	185,604		1,741,956
Special Education Instruction	413,385			413,385
Other Special Instruction	45,833			45,833
Support Services:				
Tuition	2,311,928			2,311,928
Student & Instruction Related Services	451,252	147,451		598,703
General Administrative Services	146,857			146,857
School Administrative Services	155,858			155,858
Central Services	202,171			202,171
Plant Operations and Maintenance	554,147			554,147
Pupil Transportation	456,013			456,013
Employee Benefits	1,567,942	28,571		1,596,513
Debt Service:				
Principal			140,000	140,000
Interest and Other Charges			48,363	48,363
Total Expenditures	7,861,738	361,626	188,363	8,411,727
Excess (Deficiency) of Revenues Over Expenditures	139,119	6,675		145,794
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out - Food Service Deficit	(25,000)			(25,000)
Total Other Financing Sources and Uses	(25,000)			(25,000)
Net Change in Fund Balances	114,119	6,675		120,794
Fund Balance—July 1	1,045,854	(14,303)		1,031,551
Fund Balance—June 30	\$ 1,159,973	\$ (7,628)	\$	\$ 1,152,345

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<b>Total Net Change in Fund Balances - Governmental Funds (from B-2)</b>	<b>\$ 120,794</b>
Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	\$ (191,948)
Capital Outlays	(191,948)
	<hr/>
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	140,000
Payment of capital leases is an expenditure in the governmental funds but the payment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	
In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the government funds, interest is reported when due.	3,225
Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.	(5,306)
In the Statement of Activities, certain operating expenses, e. g. compensated absences are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).	
Compensated Absences	843
	<hr/>
<b>Change in Net Position of Governmental Activities (A-2)</b>	<b>\$ 67,608</b>
	<hr/>

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**PROPRIETARY FUNDS**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2015**

	<b>Business-type Activities</b>	
	<b>Enterprise Funds</b>	
	<b>Food Service</b>	<b>Totals</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 37,084	\$ 37,084
Accounts Receivable	19,695	19,695
Inventories	2,443	2,443
Total Current Assets	59,222	59,222
Fixed Assets:		
Equipment	64,557	64,557
Accumulated Depreciation	(39,280)	(39,280)
Total Fixed Assets	25,277	25,277
Total Assets	\$ 84,499	\$ 84,499
<b>LIABILITIES AND FUND EQUITY:</b>		
Current Liabilities:		
Unearned Revenue	\$ 1,346	\$ 1,346
Compensated Absences	2,331	2,331
Accounts Payable	3,690	3,690
Total Current Liabilities	7,367	7,367
Net Position:		
Investment in Fixed Assets	25,277	25,277
Unrestricted	51,855	51,855
Total Fund Equity	77,132	77,132
Total Liabilities and Net Position	\$ 84,499	\$ 84,499

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Business-type Activities</b>	
	<b>Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 38,740	\$ 38,740
Daily Sales - Non-reimbursable Programs	10,661	10,661
Total Operating Revenue:	49,401	49,401
Operating Expenses:		
Cost of Sales	70,469	70,469
Salaries	73,187	73,187
Employee Benefits	19,741	19,741
Consulting Fee	1,753	1,753
Repairs & Other Expenses	2,238	2,238
General Supplies	6,984	6,984
Depreciation	2,595	2,595
Total Operating Expenses	176,967	176,967
Operating Income (Loss)	(127,566)	(127,566)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	1,679	1,679
Federal Sources:		
National School Breakfast Program	26,454	26,454
National School Lunch Program	68,338	68,338
Food Distribution Program	12,867	12,867
Total Non-Operating Revenues (Expenses)	109,338	109,338
Income (Loss) Before Contributions & Transfers	(18,228)	(18,228)
Transfers In (Out)	25,000	25,000
Change in Net Position	6,772	6,772
Total Net Position—Beginning	70,360	70,360
Total Net Position—Ending	\$ 77,132	\$ 77,132

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Business-type Activities</b>	
	<b>Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 49,401	\$ 49,401
Payments to Employees	(73,187)	(73,187)
Payments for Employee Benefits	(19,741)	(19,741)
Payments to Suppliers	(61,545)	(61,545)
Net Cash Provided by (used for) Operating Activities	(105,072)	(105,072)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	1,679	1,679
Federal Sources	94,792	94,792
Operating Subsidies and Transfers to Other Funds	25,000	25,000
Net Cash Provided by (used for) Non-Capital Financing Activities	121,471	121,471
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of Capital Assets		
Net Cash Provided by (used for) Capital and Related Financing Activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and Dividends		
Net Cash Provided by (used for) Investing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	16,399	16,399
Balances—Beginning of Year	20,685	20,685
Balances—End of Year	\$ 37,084	\$ 37,084
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</b>		
Operating Income (Loss)	\$ (127,566)	\$ (127,566)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Food Distribution Program	12,867	12,867
Depreciation and Net Amortization	2,595	2,595
(Increase) Decrease in Accounts Receivable	(1,058)	(1,058)
(Increase) Decrease in Inventory	(618)	(618)
(Increase) Decrease in Interfund Receivable	9,111	9,111
Increase (Decrease) in Unearned Revenue	924	924
Increase (Decrease) in Compensated Absences	205	205
Increase (Decrease) in Accounts Payable	(1,532)	(1,532)
Total Adjustments	22,494	23,821
Net Cash Provided by (used for) Operating Activities	\$ (105,072)	\$ (103,745)

**Noncash Noncapital Financing Activities:**

During the Year, the District Received \$13,386 of Food Commodities from the U. S. Department of Agriculture

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 237,436	\$ 41,916
Accounts Receivable		
	<u>237,436</u>	<u>41,916</u>
Total Assets		
<b>LIABILITIES</b>		
Payroll Deductions Payable	1,628	1,195
Payable to Student Groups		40,721
	<u>1,628</u>	<u>40,721</u>
Total Liabilities	\$ 1,628	\$ 41,916
<b>NET POSITION</b>		
Held in Trust for Unemployment		
Claims and other Purposes	<u>\$ 235,808</u>	

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**FIDUCIARY FUNDS**



**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Contribution	\$
Plan Member	10,550
Interest Income	
	<hr/>
Total Additions	10,550
	<hr/>
<b>DEDUCTIONS</b>	
Unemployment Claims	9,723
	<hr/>
Total Deductions	9,723
	<hr/>
Change in Net Position	827
Net Position—Beginning of the Year	234,981
	<hr/>
Net Position—End of the Year	\$ 235,808
	<hr/> <hr/>

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Maurice River Township School District (District) is organized under the Constitution of the State of New Jersey. It is located in Cumberland County and provides educational services for all of Maurice River Township's grades K through 8 as authorized by state and federal guidelines.

The District serves an area of approximately seventy square miles. The District currently operates one instructional building and an administrative building. The Maurice River Township School District had an approximate enrollment at June 30, 2015 of 424 students.

**A. Reporting Entity:**

The Maurice River Township School District is a Type II District as provided by statute of the State of New Jersey. As a Type II District, it functions independently and operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Recently Issued and Adopted Accounting Pronouncements:**

The district adopted the following GASB statements:

- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 67, however, does not have any impact on the School District's financial statements.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Recently Issued and Adopted Accounting Pronouncements:**

The district adopted the following GASB statements:

- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 68, will impact the financial statements of the School District's.
- In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68. GASB 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 71, will impact the financial statements of the School District's.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

GASB 69, *Government Combinations and disposals of Government Operations*, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The District is currently evaluating the impact of the adoption of this Statement on the School District's financial statements, although no impact is expected.

**A. Basis of Presentation:**

The District's basic financial statements consist of District-wide statements, including a statement of Net Position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. Basis of Presentation: (continued)**

District-wide Statements: The statement of Net Position and the statements of activities display information about the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of Net Position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

**B. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report as follows:

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**GOVERNMENTAL FUND TYPE**

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted Capital Outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**PROPRIETARY FUND TYPE**

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

**Enterprise (Food Service) Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting (Cont'd):**

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment	7 – 20 Years
-----------------------------	--------------

**Internal Service Fund**

The Maurice River Township School District does not maintain an Internal Service whereby services would be provided on a cost-reimbursement basis.

**FIDUCIARY FUND TYPE**

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and a scholarship fund.

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

**Agency Funds** - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Basis of Accounting and Measurement Focus:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*District-wide, Proprietary and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Budgets/Budgetary Control (Cont'd):**

The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

**E. Encumbrance Accounting:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**F. Tuition Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.



**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**G. Tuition Payable:**

Tuition charges for the fiscal years 2014-15, 2013-14, 2012-13 and 2011-12 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**H. Inventories and Prepaid Expenses:**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

**I. Short -Term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

**J. Assets, Liabilities and Equity:**

**Transactions**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

**Inventories**

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**Capital Assets** - General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2015 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in general fixed assets are not depreciated.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	50
Building Improvements	20
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

**K. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Statement of Net Position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**L. Unearned Revenue:**

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned.

**M. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**N. Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**O. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**P. Fund Equity:**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**Q. Comparative Data/Reclassifications:**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**R. Management Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of revenues and expenditures/expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**S. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position.

**T. Net Position:**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**U. Fund Balance Reserves:**

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**V. Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

**W. Lease Acquisition Costs:**

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2015.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value. New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts. Investments are stated at cost, or amortized cost, which approximates market.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)**

The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

**Deposits:**

New Jersey statutes require that School Districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments:**

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district

As of June 30, 2015, cash and cash equivalents in the fund financial statements of the District consisted of the following:

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

	<b><u>Cash and Cash</u></b> <b><u>Equivalents</u></b>
Checking accounts	\$ 1,372,056
N.J. Cash Management Fund	75,485
Total	<u>\$ 1,447,541</u>

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2015, \$1,314,048 of the School District's bank balance of \$1,639,533 was uninsured and exposed to custodial credit risk.

**New Jersey Cash Management Fund** – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2015, the District had \$75,455 of funds on deposit with the New Jersey Cash Management Fund.

**NOTE 4. CAPITAL RESERVE ACCOUNT**

Capital reserve accounts may be established by New Jersey School Districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the General Fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is \$423,728.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5. CAPITAL ASSETS**

Capital Asset Activity for the Year Ended June 30, 2015 was as Follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not Being Depreciated:				
Land	\$ 62,441			\$ 62,441
Total Capital Assets not Being Depreciated	62,441			62,441
Land Improvements	300,274			300,274
Building and Building Improvements	4,442,681			4,442,681
Machinery and Equipment	1,491,150		\$ (52,235)	1,438,915
Totals at Historical Cost	6,234,105		(52,235)	6,181,870
Less Accumulated Depreciation for :				
Land Improvements	(295,715)	(4,559)		(300,274)
Building and Improvements	(1,925,575)	(89,197)		(2,014,772)
Equipment	(1,114,374)	(98,192)	52,235	(1,160,331)
Total Accumulated Depreciation	(3,335,664)	(191,948)	52,235	(3,475,377)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	2,898,441	(191,948)		2,706,493
<b>Government Activities Capital Assets, Net</b>	<b>\$ 2,960,882</b>	<b>\$ (191,948)</b>	<b>\$ -</b>	<b>\$ 2,768,934</b>
	To A-1			To A-1
Business-type Activities - Equipment	\$ 64,557			\$ 64,557
Less Accumulated Depreciation	(36,685)	(2,595)		(39,280)
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 27,872</b>	<b>\$ (2,595)</b>	<b>\$ -</b>	<b>\$ 25,277</b>
Depreciation Expense was Charged to Governmental Functions as Follows:				
Unallocated		To A-2		\$ 191,948

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 6. GENERAL LONG-TERM DEBT**

During the fiscal year ended June 30, 2015, the following changes occurred in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year	Long-term Portion
<b>Governmental Activities:</b>						
Bonds Payable:						
General Obligation Debt	\$ 1,165,000		\$ 140,000	\$ 1,025,000	\$ 150,000	\$ 875,000
Total Bonds Payable	1,025,000		140,000	1,025,000	150,000	875,000
Other Liabilities:						
Obligations Under Capital Lease						
Compensated Absences Payable	63,571		843	62,728	10,800	51,928
Total Other Liabilities	\$ 1,088,571	\$ -	\$ 140,843	\$ 1,087,728	\$ 160,800	\$ 926,928
					<b>To A-1</b>	
<b>Business-Type Activities:</b>						
Compensated Absences Payable	\$ 2,126	\$ 205	\$ -	\$ 2,331	\$ -	\$ 2,331

**A. Bonds Payable** - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	Principal	Interest	Total
2016	\$ 150,000	\$ 41,913	\$ 191,913
2017	145,000	35,913	180,913
2018	150,000	30,113	180,113
2019	150,000	23,925	173,925
2020	145,000	17,738	162,738
2021	145,000	11,756	156,756
2022	140,000	5,775	145,775
	<u>\$ 1,025,000</u>	<u>\$ 167,133</u>	<u>\$ 1,192,133</u>

**B. Bonds Authorized But Not Issued** - As of June 30, 2015, the District had no authorized but not issued bonds.



**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 7. OPERATING LEASES**

The District had commitments to lease certain office equipment under operating leases that expired in 2015. There were no operating lease obligations initiated in the year ended June 30, 2015 and no future minimum lease payments

**NOTE 8. PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at a fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$98,929 and revenue of \$98,929 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 8. PENSION PLANS - (CONT'D)**

**Public Employees Retirement System (PERS) - (CONT'D)**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$76,366.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions	50,748	
Net difference between projected and actual earnings on pension plan investments		96,177
Changes in proportion and differences between District contributions and proportionate share of contributions		3,341
District contributions subsequent to the measurement date	71,060	
Total	\$ 121,808	\$ 99,518

\$121,808 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Additional Information**

Collective balances at June 30, 2013 and 2014 are as follows:

	6/30/2014	6/30/2013
Collective deferred outflows of resources	\$ 1,032,618,058	\$
Collective deferred inflows of resources	1,726,631,532	
Collective net pension liability	14,665,837,859	15,190,834,283
District's Proportion	0.0086197529	0.0086404466

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 8. PENSION PLANS (CONT'D)**

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation** - P.L. 2011, c. 78, effective October 2011, set new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this legislation's effective date with a minimum contribution required to be at least 1.5 percent of salary.

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

**Three-Year Trend Information for PERS**

<b><u>Year</u></b>		<b><u>Annual Pension Cost APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>		<b><u>Net Pension Obligation</u></b>
<b><u>Funding</u></b>					
6/30/15	\$	71,060	100%	\$	71,060
6/30/14		65,104	100		65,104
6/30/13		74,255	100		74,255

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 8. PENSION PLANS (CONT'D)**

**Contribution Requirements (CONT'D)**

**Three-Year Trend Information for TPAF (Paid on-behalf of the District)**

<b><u>Year Funding</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
6/30/15	\$ 346,810	100 %	\$ 0
6/30/14	260,059	100	0
6/30/13	317,713	100	0

During the fiscal year ended June 30, 2015 the State of New Jersey contributed \$134,033 to the TPAF for Pension Contribution and \$212,777 for Post-Retirement Medical on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$178,921 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund schedules as a revenue and expenditure in accordance with GASB 27.

Legislation enacted during 1991 and 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 and 1994 fiscal years. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The District assumed the increased cost for the early retirement as it affected their districts.

**NOTE 9. POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 10. COMPENSATED ABSENCES**

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the District wide-Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, a liability existed for compensated absences in the General Fund of \$62,728 and \$2,331 in the Food Service Fund.

**NOTE 11. DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators during the year ended June 30, 2015 were Syracuse, Metlife, Wachovia, Ameriprise, Northern Life, Prudential, and Lincoln Investment. The district also maintains an AFLAC pre-taxed disability plan under Section 125 of the Internal Revenue Service.

**NOTE 12. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 12. RISK MANAGEMENT (CONT'D)**

**New Jersey Unemployment Compensation Insurance (CONT'D)**

<u>Fiscal Year</u>		<u>District Contributions</u>		<u>Employee Contributions</u>		<u>Amount Reimbursed</u>		<u>Ending Balance</u>
2014-2015	\$	0	\$	10,550	\$	9,723	\$	235,808
2013-2014		0		19,937		4,656		234,981
2012-2013		0		10,081		14,990		228,700

**NOTE 13. INTERFUND RECEIVABLES AND PAYABLES**

	<u>Due To</u>	<u>Due From</u>
General Fund	\$22,560	
Special Revenue Fund		\$22,560

**NOTE 14. INVENTORY**

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$	1,647
Supplies		796
	\$	<u>2,443</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The ending commodity inventory value as of June 30, 2015 was \$941

**NOTE 15. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$1,159,973 Fund balance at June 30, 2015, \$223,760 is Assigned for encumbrances; \$0 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 and none has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$311,042 is restricted for Maintenance Reserve; \$250,000 is restricted for Emergency Reserve; \$90,000 is restricted for Capital Reserve, of which \$90,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2016; \$470,962 is restricted for Tuition Reserve, of which \$245,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2016; \$73,248 has been assigned as fund balance appropriated and also included as anticipated revenue for the year ending June 30, 2016 and (\$259,039) represents an unrestricted and undesignated fund balance.

**Debt Service Fund** – The Debt Service Fund fund balance at June 30, 2015 is \$0.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 16. DEFICIT FUND BALANCES**

The District has an Unreserved and Undesignated deficit in the General Fund of \$259,039 and a deficit in the Special Revenue Fund of \$7,628, as of June 30, 2015 as reported in the fund statements (modified accrual basis). *N.J.S.A.* 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school year, Districts must record the delayed one or more June state aid payments as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for School Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$259,039 in the General Fund and \$7,628 in the Special revenue fund is equal to or less than the last state payment(s).

**NOTE 17. CALCULATION OF EXCESS SURPLUS**

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess fund balance at June 30, 2015, which is to be restricted and budgeted in the 2016-17 fiscal year.

**NOTE 18. LITIGATION**

The District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Board, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**NOTE 19. TUITION**

Maurice River Township School District, along with three other sending Districts to Millville School District has commenced litigation against the State of New Jersey regarding the new regulations governing the calculation of the receiving District's current year tuition rate as well as the audited tuition rate. The new regulations allow for substantial increases in the current year tuition rate and at the same time substantial decreases in the audited tuition rate, causing the sending districts serious budget issues. For this reason, the sending districts are seeking a change in the regulations through litigation.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 20. RECEIVABLES**

Receivables at June 30, 2015 consisted of intergovernmental grants and other items. All receivables are considered collectible in full.

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	General Fund	Special Revenue Fund	Proprietary Funds	Total
Intergovernmental	\$ 42,090	\$ 14,932	\$ 19,695	\$ 76,717
Other				
Totals	<u>\$ 42,090</u>	<u>\$ 14,932</u>	<u>\$ 19,695</u>	<u>\$ 76,717</u>

**NOTE 21. RETRO ACTIVE RESTATEMENT OF NET POSITION**

**Restatement of Prior Period**

The District adopted GASB No. 68 - Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated to its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Beginning net position as previously reported at June 30, 2014	\$2,739,681
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability (measurement date)	(1,651,361)
Net Deferred Contributions	<u>65,104</u>
Net Position as restated, July 1, 2014	<u>\$1,153,424</u>



**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,702,847	\$	\$ 2,702,847	\$ 2,702,847	\$
Tuition from Other LEAs - Homeless					
Transportation Fees from other LEAs	60,000		60,000	64,201	4,201
Interest Earned				48	48
Miscellaneous	3,530		3,530	12,627	9,097
Total - Local Sources	2,766,377		2,766,377	2,779,723	13,346
State Sources:					
Equalization Aid	3,545,120		3,545,120	3,545,120	
Categorical Special Education Aid	283,265		283,265	283,265	
Categorical Security Aid	94,769		94,769	94,769	
Categorical Transportation Aid	291,732		291,732	291,732	
Adjustment Aid					
School Choice Aid	450,324		450,324	407,436	(42,888)
Under Adequacy Aid	21,720		21,720	21,720	
Additional Adjustment Aid	21,444		21,444	21,444	
PARCC Readiness Aid	5,470		5,470	5,470	
Per Pupil Growth Aid	5,470		5,470	5,470	
Anti-Bullying Award					
Other State Aids:					
Non-public Transportation Aid				1,914	1,914
Extraordinary Aid				17,905	17,905
On-behalf TPAF Pension Contribution (non-budgeted)				134,033	134,033
On-behalf TPAF Post Retirement Med'l Contributions (non-budgeted)				212,777	212,777
Reimbursement TPAF Social Security Contrib. (non-budgeted)				178,921	178,921
Total - State Sources	4,719,314		4,719,314	5,221,976	502,662
Federal Sources:					
SEMI				307	307
TOTAL REVENUES	7,485,691		7,485,691	8,002,006	516,315
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	47,467	15,510	62,977	62,899	78
Kindergarten	133,834	(12,879)	120,955	119,067	1,888
Grades 1-5	804,834	(2,631)	802,203	797,140	5,063
Grades 6-8	522,501	(45,240)	477,261	473,277	3,984
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	(10,154)	4,846	2,940	1,906
Other Purchased Services	1,600		1,600	22	1,578
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	30,439	10,963	41,402	37,493	3,909
Purchased Professional - Educational Services	3,000	(2,414)	586		586
Purchased Technical Services	3,600	(3,000)	600	50	550
Other Purchased Services	14,500	(1,000)	13,500	6,136	7,364
General Supplies	54,000	86,154	140,154	57,328	82,826
Textbooks	4,193	(1,157)	3,036		3,036
Other Objects	500		500		500
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,635,468	34,152	1,669,620	1,556,352	113,268

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
Learning/Language Disabilities					
Salaries of Teachers	\$ 49,567	\$ 2,000	\$ 51,567	\$ 51,518	\$ 49
Other Salaries for Instruction	97,484	(1,936)	95,548	91,348	4,200
General Supplies	1,000		1,000	542	458
Total Learning/Language Disabilities	148,051	64	148,115	143,408	4,707
Resource Room/Resource Center					
Salaries of Teachers	208,961	60,474	269,435	269,234	201
General Supplies	500	455	955	743	212
Total Resource Room	209,461	60,929	270,390	269,977	413
TOTAL SPECIAL EDUCATION - INSTRUCTION	357,512	60,993	418,505	413,385	5,120
Basic Skills/Remedial - Instruction					
Salaries of Teachers	83,897	(60,638)	23,259	16,848	6,411
General Supplies	500	2,047	2,547	2,535	12
Total Basic Skills	84,397	(58,591)	25,806	19,383	6,423
School Sponsored Co-curricular Activities:					
Salaries of Teachers	24,000	3,000	27,000	24,803	2,197
Purchased Services	1,500	(500)	1,000		1,000
Supplies and Materials	5,500	(2,500)	3,000	1,563	1,437
Other Objects	200		200	84	116
Total School Sponsored Co-curricular Activities	31,200		31,200	26,450	4,750
Total Instruction	2,108,577	36,554	2,145,131	2,015,570	129,561
UNDISTRIBUTED EXPENDITURES:					
Instruction:					
Tuition - Regular - LEAs in State	1,312,714	(5,355)	1,307,359	1,307,359	
Tuition to Other LEAs within State-Special	646,163	(20,668)	625,495	590,939	34,556
Tuition to CSSC & Regional Day Schools	398,640	(100,038)	298,602	189,927	108,675
Tuition to Private Schools for the Handicapped Within the State	177,973	62,227	240,200	183,923	56,277
Tuition Other	39,780	1	39,781	39,780	1
Total Undistributed Expenditures - Instruction	2,575,270	(63,833)	2,511,437	2,311,928	199,509
Attendance and Social Work Services:					
Salaries	8,000		8,000	8,000	
Other Purchased Services	10,872		10,872	8,768	2,104
Total Attendance and Social Work Services	18,872		18,872	16,768	2,104

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
UNDISTRIBUTED EXPENDITURES (Continued):					
Health Services:					
Salaries	\$ 74,535	\$ 871	\$ 75,406	\$ 74,554	\$ 852
Purchased Professional and Technical Services	3,500		3,500	2,500	1,000
Other Purchased Services	600		600	49	551
Supplies and Materials	4,700	(100)	4,600	2,939	1,661
Other Objects	150	100	250	235	15
Total Health Services	83,485	871	84,356	80,277	4,079
Other Support Services - Students- Related Services:					
Purchased Professional- Educational Services	66,000		66,000	59,388	6,612
Supplies and Materials	500		500		500
Total Undistributed Expenditures Other Support Services-Students-Related Services	66,500		66,500	59,388	7,112
Special Education - Extraordinary Services:					
Purchased Professional - Educational Services	40,000		40,000	26,911	13,089
Total Undistributed Expenditures Other Support Services-Students-Extraordinary Services	40,000		40,000	26,911	13,089
Guidance					
Salaries of Other Professional Staff	103,332		103,332	88,938	14,394
Other Purchased Professional and Technical Services					
Supplies and Materials	5,000	(1,095)	3,905	176	3,729
Other Objects	500		500	15	485
Total Other Support Services-Students-Regular	108,832	(1,095)	107,737	89,129	18,608
Child Study Team					
Salaries of Other Professional Staff	2,500		2,500	1,434	1,066
Purchased Professional - Educational Services	30,225	1,095	31,320	31,320	
Miscellaneous Purchased Services	500	16	516	141	375
Supplies and Materials	750	(16)	734		734
Total Other Support Services - Students - Special Services	33,975	1,095	35,070	32,895	2,175
Improvement of Instruction Services - Other Support					
Salaries of Supervisors of Instruction	105,681		105,681	105,681	
Salaries of Other Professional Staff	1,500		1,500		1,500
Purchased Professional-Educational Services	5,000	16,913	21,913	21,512	401
Salaries of Secretarial and Clerical Assistants	21,867	(16,867)	5,000		5,000
Other Purchased Services	1,000		1,000		1,000
Total Improvement of Instruction Services	135,048	46	135,094	127,193	7,901
Educational Media Services/School Library:					
Salaries	6,824	(333)	6,491	5,976	515
Purchased Professional and Technical Services	500	(333)	167		167
Other Purchased Services	4,100	666	4,766	3,986	780
Supplies and Materials	1,200		1,200	44	1,156
Total Educational Media Services/School Library	12,624	-	12,624	10,006	2,618

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Variance Final to Actual Favorable (Unfavorable)</b>
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
<b>UNDISTRIBUTED EXPENDITURES: (Continued)</b>					
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 20,000	\$	\$ 20,000	1,365	\$ 18,635
Other Salaries	500		500		500
Purchased Professional - Educational Services	5,000		5,000	3,775	1,225
Other Purchased Services	6,500		6,500	3,545	2,955
Supplies and Materials	2,800		2,800		2,800
Total Instructional Staff Training	34,800		34,800	8,685	26,115
Support Services General Administration:					
Salaries	86,540	(2,258)	84,282	83,182	1,100
Legal Services	5,000	(2,000)	3,000	2,477	523
Audit Fees	12,000		12,000	11,660	340
Other Purchased Professional Services	10,111		10,111	7,236	2,875
Communication/Telephone	21,708	(7,010)	14,698	11,375	3,323
BOE Other Purchased Services	3,500	(2,003)	1,497	109	1,388
Other Purchased Services	11,168	8,586	19,754	17,126	2,628
General Supplies	500		500	332	168
BOE In-House Training/Meeting Supplies	150		150		150
Judgments Against the School District		2,048	2,048	2,048	
Miscellaneous Expenditures	2,500	374	2,874	2,849	25
BOE Membership Dues and Fees	6,200	2,263	8,463	8,463	
Total Support Services General Administration	159,377		159,377	146,857	12,520
Support Services School Administration:					
Salaries of Principals/Assistant Principals	43,772		43,772	43,772	
Salaries of Secretarial and Clerical Assistants	24,143	202	24,345	24,174	171
Purchased Professional and Technical Services	3,074	2,500	5,574	5,072	502
Other Purchased Services	6,600	(549)	6,051	5,295	756
Supplies and Materials	5,000	601	5,601	4,790	811
Other Objects	4,200	549	4,749	4,734	15
Total Support Services School Administration	86,789	3,303	90,092	87,837	2,255
Undistributed Services - Central Services					
Salaries	202,908	(2,035)	200,873	179,261	21,612
Purchased Professional Services	13,118		13,118	10,970	2,148
Purchased Technical Services	2,500		2,500	844	1,656
Miscellaneous Purchased Services	11,500	659	12,159	8,046	4,113
Supplies and Materials	6,500		6,500	2,408	4,092
Miscellaneous Expenditures	1,100		1,100	642	458
Total Central Services	237,626	(1,376)	236,250	202,171	34,079

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Expenditures</b>	<b>Variance Final to Actual Favorable (Unfavorable)</b>
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
UNDISTRIBUTED EXPENDITURES: (Continued)					
Admin. Info. Technology					
Salaries	\$ 68,263	\$ 785	\$ 69,048	\$ 65,288	3,760
Purchased Technical Services					
Other Purchased Services	5,000		5,000	2,733	2,267
Supplies and Materials	3,000		3,000		3,000
Total Admin. Info. Technology	76,263	785	77,048	68,021	9,027
Required Maintenance for School Facilities					
Increase in Maintenance Reserve					
Cleaning, Repair and Maintenance Services	15,765	18,356	34,121	28,333	5,788
General Supplies	2,000		2,000	577	1,423
Other Objects		6,466	6,466	746	5,720
Total Required Maintenance for School Facilities	17,765	24,822	42,587	29,656	12,931
Custodial Services					
Salaries	106,236	129,363	235,599	224,271	11,328
Purchased Professional and Tech Services	2,000	15,344	17,344	523	16,821
Cleaning/ Repair Maintenance	4,200	72,087	76,287	29,477	46,810
Insurance		74,059	74,059	74,059	
Misc. Purchased Services	950		950	245	705
General Supplies	8,200	42,382	50,582	40,939	9,643
Energy (Natural Gas)	15,000	110,000	125,000	33,996	91,004
Energy (Electricity)	75,000	(40,000)	35,000	120,358	(85,358)
Other Objects	2,300	(500)	1,800	623	1,177
Total Operating/ Maintenance Plant	213,886	402,735	616,621	524,491	92,130
Security					
Purchased Professional and Tech Services					
General Supplies		5,572	5,572		5,572
Total Security		5,572	5,572		5,572
Student Transportation Services:					
Salaries of Non-Instructional Aides	20,546	168	20,714	15,007	5,707
Salaries for Pupil Transportation (Between Home and School) - Regular	117,079	7,020	124,099	108,912	15,187
Salaries for Pupil Transportation (Between Home and School) - Special	70,418	9,215	79,633	44,589	35,044
Salaries for Pupil Transportation (Other than Between Home and School)	3,600		3,600		3,600
Salaries for Pupil Transportation (Between Home and School) - Nonpublic	3,700	2,379	6,079		6,079
Management Fee- ESC Transportation Program	4,000		4,000		4,000
Other Purchased Professional and Technical Services	4,000		4,000	400	3,600
Cleaning, Repair, and Maintenance Services	35,000	61,451	96,451	70,531	25,920
Contracted Services (Home/School) Vendors	99,820	(94,483)	5,337	350	4,987
Contracted Services ( Other than Between Home/School) Vendors	10,000	5,000	15,000	11,287	3,713
Contracted Services (Special Ed) - Joint Agreements	182,640	(5,750)	176,890	127,766	49,124
Contracted Services- Aid in Lieu of Payments- Non-Public	22,984		22,984	15,028	7,956
Miscellaneous Purchased Services - Transportation	6,050	(5,250)	800	750	50
General Supplies	83,327	(8,172)	75,155	57,406	17,749
Other Objects	5,550		5,550	3,987	1,563
Total Student Transportation Services	668,714	(28,422)	640,292	456,013	184,279

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
UNDISTRIBUTED EXPENDITURES: (Continued)					
PERSONAL SERVICES - EMPLOYEE BENEFITS:					
ALLOCATED BENEFITS:					
Improvement of Instructions Services:					
Other Employee Benefits	\$	\$	\$	\$	\$
Support Services - General Administration					
Other Employee Benefits					
Support Services - Central Services					
Other Employee Benefits					
Total Allocated Benefits					
Unallocated Benefits - Employee Benefits					
Social Security Contributions	75,000	(735)	74,265	63,264	11,001
Other Retirement Contributions - PERS	80,000	742	80,742	76,700	4,042
Workers Comp	48,232	1,486	49,718	49,718	
Health Benefits	1,008,635	(98,849)	909,786	838,177	71,609
Tuition Reimbursement	10,000		10,000	5,288	4,712
Other Employee Benefits	19,933		19,933	9,064	10,869
TOTAL UNALLOCATED BENEFITS	1,241,800	(97,356)	1,144,444	1,042,211	102,233
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,241,800	(97,356)	1,144,444	1,042,211	102,233
On-behalf TPAF Pension Contribution (non-budgeted)				134,033	(134,033)
On-behalf TPAF Post Retirement Med'l Contributions (non-budgeted)				212,777	(212,777)
Reimbursement TPAF Social Security Contributions (non-budgeted)				178,921	(178,921)
Total Undistributed Expenditures	5,811,626	247,147	6,058,773	5,846,168	212,605
TOTAL EXPENDITURES - CURRENT EXPENSE	7,920,203	283,701	8,203,904	7,861,738	342,166
<b>CAPITAL OUTLAY:</b>					
EQUIPMENT:					
Undistributed Expenditures:					
Instruction					
Total Equipment					



**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
<b>CAPITAL OUTLAY:</b>					
<b>FACILITIES ACQUISITION AND CONSTRUCTION SERVICES</b>					
Land and Improvements	\$ 90,000	\$ (90,000)	\$	\$	
<b>TOTAL CAPITAL OUTLAY</b>	<u>90,000</u>	<u>(90,000)</u>			
<b>TOTAL EXPENDITURES</b>	<u>8,010,203</u>	<u>193,701</u>	<u>8,203,904</u>	<u>7,861,738</u>	<u>342,166</u>
Excess (Deficiency) of Revenues Over (Under) Budget	<u>(524,512)</u>	<u>(193,701)</u>	<u>(718,213)</u>	<u>140,268</u>	<u>858,481</u>
Operating Financing Sources (Uses) Operating Transfer Out - Food Service Deficit	<u>(25,000)</u>		<u>(25,000)</u>	<u>(25,000)</u>	
<b>Total Other Financing Sources (Uses)</b>	<u>(25,000)</u>		<u>(25,000)</u>	<u>(25,000)</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>(549,512)</u>	<u>(193,701)</u>	<u>(743,213)</u>	<u>115,268</u>	<u>858,481</u>
<b>Fund Balances, July 1</b>	<u>1,500,715</u>		<u>1,500,715</u>	<u>1,500,715</u>	
<b>Fund Balances, June 30</b>	<u>\$ 951,203</u>	<u>\$ (193,701)</u>	<u>\$ 757,502</u>	<u>\$ 1,615,983</u>	<u>\$ 858,481</u>

**Recapitulation:**

**Restricted Fund Balance:**

Maintenance Reserve	\$ 311,042
Emergency Reserve	250,000
Tuition Reserve - 2014-15	225,962

**Assigned Fund Balance:**

Year-end Encumbrances	223,760
Tuition Reserve - Designated for Subsequent Year's Expenditures	245,000
Capital Reserve - Designated for Subsequent Year's Expenditures	90,000
Designated for Subsequent Year's Expenditures	73,248

**Unassigned Fund Balance**

196,971

1,615,983

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment Recognized on GAAP Basis (456,010)

Fund Balance per Governmental Funds (GAAP)

\$ 1,159,973

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 273,297	\$ 35,773	\$ 309,070	\$ 285,346	\$ 23,724
State Sources	76,280		76,280	76,280	
<b>Total Revenues</b>	<b>349,577</b>	<b>35,773</b>	<b>385,350</b>	<b>361,626</b>	<b>23,724</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	172,263	14,366	186,629	185,604	1,025
<b>Total Instruction</b>	<b>172,263</b>	<b>14,366</b>	<b>186,629</b>	<b>185,604</b>	<b>1,025</b>
<b>Support Services</b>					
Salaries of Teachers	12,678	31,890	44,568	24,568	20,000
Group Insurance	13,958	(13,044)	914	914	
Social Security Contributions		2,410	2,410	801	1,609
State Share FICA	8,383	1,129	9,512	9,512	
TPAF Contributions	16,820	524	17,344	17,344	
Purchased Professional - Educational Services	125,475	(2,592)	122,883	122,883	
Supplies and Materials		1,090	1,090		1,090
<b>Total Support Services</b>	<b>177,314</b>	<b>21,407</b>	<b>198,721</b>	<b>176,022</b>	<b>22,699</b>
<b>Facilities Acquisition and Construction Services:</b>					
Buildings					
Instructional Equipment					
Non-instructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Total Expenditures</b>	<b>349,577</b>	<b>35,773</b>	<b>385,350</b>	<b>361,626</b>	<b>23,724</b>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<b>349,577</b>	<b>35,773</b>	<b>385,350</b>	<b>361,626</b>	<b>23,724</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses) \$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET TO GAAP RECONCILIATION**  
**NOTE TO RSI**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule	[C-1] \$ 8,002,006	[C-2] \$ 361,626
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that		
encumbrances are recognized as expenditures, and the related		
revenue is recognized.		
	Prior Year	
	Current Year	
State aid payment recognized for GAAP statements in the current year,		
previously recognized for budgetary purposes.	454,861	14,303
State aid payment recognized for budgetary purposes, not		
recognized for GAAP statements until the subsequent year.	(456,010)	(7,628)
Total revenues as reported on the statement of revenues, expenditures		
and changes in fund balances - governmental funds.	[B-2] \$ 8,000,857	[B-2] \$ 368,301
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the		
budgetary comparison schedule	[C-1] \$ 7,861,738	[C-2] \$ 361,626
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but		
not received are reported in the year the order is placed for		
<i>budgetary</i> purposes, but in the year the supplies are received		
for <i>financial reporting</i> purposes.		
Transfers to and from other funds are presented as outflows of		
budgetary resources but are not expenditures		
for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues,		
expenditures, and changes in fund balances - governmental funds.	[B-2] \$ 7,861,738	[B-2] \$ 361,626

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**SCHEDULE L-1**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**

**Schedules of Required Supplementary Information**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**Public Employee's Retirement System**

	<b><u>2014</u></b>
District's Proportion of the Net Pension Liability(Asset)	0.008619%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,613,853
District's Covered-Employee Payroll	\$ 550,214
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	293.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**SCHEDULE L-2**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT CONTRIBUTIONS**

**Public Employee's Retirement System**

	<b><u>2014</u></b>
Contractually Required Contribution	\$ 71,060
Contributions in Relation to the Contractually Required Contribution	<u>(71,060)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>
 District's Covered-Employee Payroll	 \$ 550,214
Contributions as a Percentage of Covered-Employee Payroll	12.91%

**SCHEDULE L-3**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**

**Schedules of Required Supplementary Information**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**Teachers Pension Plan**

	<b><u>2014</u></b>
District's Proportion of the Net Pension Liability(Asset)	0.02329%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,899
District's Covered-Employee Payroll	\$ 2,420,079
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	0.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.



**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III**  
**PENSION SCHEDULES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Teachers' Pension and Annuity Fund (TPAF)**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

*Change of assumptions.* Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**Public Employees' Retirement System (PERS)**

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

*Change of assumptions.* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

## **OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>NCLB Title I Part A</b>	<b>I.D.E.A.- Part B-Basic Reg Prog</b>	<b>I.D.E.A. Part B Carryover</b>	<b>Title II A</b>	<b>NJ Achievement Coaches Competitive</b>	<b>Rural Education Achievement Program</b>	<b>Preschool Education Aid</b>	<b>Totals 2015</b>
<b>REVENUES:</b>								
Federal Sources	\$ 109,131	\$ 119,652	\$ 3,231	\$ 24,341	\$ 11,276	\$ 17,715		\$ 285,346
State Sources							\$ 76,280	76,280
<b>Total Revenues</b>	<b>109,131</b>	<b>119,652</b>	<b>3,231</b>	<b>24,341</b>	<b>11,276</b>	<b>17,715</b>	<b>76,280</b>	<b>361,626</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	89,746			20,017	475		75,366	185,604
<b>Total Instruction</b>	<b>89,746</b>			<b>20,017</b>	<b>475</b>		<b>75,366</b>	<b>185,604</b>
Support Services:								
Salary of Teachers					10,000	14,568		24,568
Group Insurance							914	914
Social Sec Contributions					801			801
State Share FICA	6,866			1,531		1,115		9,512
TPAF Contrib	12,519			2,793		2,032		17,344
Purchased Prof/Educ Services		119,652	3,231					122,883
<b>Total Support Services</b>	<b>19,385</b>	<b>119,652</b>	<b>3,231</b>	<b>4,324</b>	<b>10,801</b>	<b>17,715</b>	<b>914</b>	<b>176,022</b>
Facilities Acq/Construction								
Instructional Equipment								
<b>Total Facilities Acq/Construction</b>								
<b>Total Expenditures</b>	<b>\$ 109,131</b>	<b>\$ 119,652</b>	<b>\$ 3,231</b>	<b>\$ 24,341</b>	<b>\$ 11,276</b>	<b>\$ 17,715</b>	<b>\$ 76,280</b>	<b>\$ 361,626</b>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**PRESCHOOL EDUCATION AID SCHEDULE(S) OF EXPENDITURES**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 75,366	\$ 75,366	
<b>Total Instruction</b>	<u>75,366</u>	<u>75,366</u>	
<b>Support:</b>			
Salaries of Supervisors of Instruction	<u>914</u>	<u>914</u>	
<b>Total Support Services</b>	<u>914</u>	<u>914</u>	
<b>Facilities Acquisition and Const. Services:</b>			
Instructional Equipment			
Non-instructional Equipment			
<b>Total Facilities Acquisition and Const. Services:</b>			
<b>Contribution to Charter Schools</b>			
<b>Total Expenditures</b>	<u>\$ 76,280</u>	<u>\$ 76,280</u>	

**CALCULATION OF BUDGET & CARRYOVER**

Total revised 2014-15 Preschool Education Aid Allocation \$	76,280	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2014)		(2)
Add: Budgeted Transfer from the General Fund 2014-15		(3)
Total Preschool Education Aid Funds Available for 2014-15 Budget	<u>76,280</u>	(4)
Less: 2014-15 Budgeted Preschool Education Aid (including prior year budget carryover)	<u>(76,280)</u>	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2015		(6)
Add: June 30, 2015 Unexpended Preschool Education Aid		(7)
Less: 2014-15 Commissioner-approved Transfer to the General Fund		(8)
2014-15 Carryover - Preschool Education Aid/Preschool Programs \$		(9)
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2015-16 \$		<u>(10)</u>

## **PROPRIETARY FUND DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services in all schools within the school district.

**EXHIBIT G-1**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMBINING SCHEDULE OF NET POSITION**  
**AS OF JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>ASSETS:</b>		
Current Assets:		
Cash	\$ 37,084	\$ 20,685
Accounts Receivable:		
State	372	416
Federal	19,323	18,221
Interfund Receivable		9,111
Inventories	2,443	1,825
	<u>59,222</u>	<u>50,258</u>
Total Current Assets		
	<u>59,222</u>	<u>50,258</u>
Fixed Assets:		
Equipment	64,557	64,557
Accumulated Depreciation	39,280	36,685
	<u>25,277</u>	<u>27,872</u>
Total Fixed Assets		
	<u>25,277</u>	<u>27,872</u>
Total Assets	<u>\$ 84,499</u>	<u>\$ 78,130</u>
<b>LIABILITIES AND FUND EQUITY:</b>		
Current Liabilities:		
Unearned Revenue	\$ 1,346	\$ 422
Compensated Absences	2,331	2,126
Accounts Payable	3,690	5,222
	<u>7,367</u>	<u>7,770</u>
Total Liabilities		
	<u>7,367</u>	<u>7,770</u>
Net Position		
Investment in Fixed Assets	25,277	30,863
Unrestricted	51,855	39,497
	<u>77,132</u>	<u>70,360</u>
Total Net Position		
	<u>77,132</u>	<u>70,360</u>
Total Liabilities and Fund Equity	<u>\$ 84,499</u>	<u>\$ 78,130</u>



**EXHIBIT G-2**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUES:</b>		
Local Sources:		
Daily Sales - Reimbursable Programs:		
School Lunch Program	\$ 30,542	\$ 33,214
School Breakfast Program	8,198	6,679
Total Daily Sales - Reimbursable Programs	38,740	39,893
Daily Sales Non-Reimbursable Programs	10,661	13,716
Special Functions		155
Total Operating Revenue	49,401	53,764
<b>OPERATING EXPENSES:</b>		
Salaries	73,187	76,740
Employee Benefits	19,741	25,757
Supplies and Materials	6,984	4,587
Depreciation	2,595	2,991
Cost of Sales	70,469	64,609
Consulting Fee	1,753	11,121
Repairs and Other Expenses	2,238	3,888
Total Operating Expenses	176,967	189,693
Operating Loss	(127,566)	(135,929)
<b>Non-Operating Revenues:</b>		
State Sources:		
School Lunch Program	1,679	1,707
Federal Sources:		
School Breakfast Program	26,454	23,386
National School Lunch Program	68,338	63,024
Food Distribution Program	12,867	11,875
Prior Year Revenue Adjustment		(417)
Total Non-Operating Revenues	109,338	99,575
Net Income before Operating Transfers and Adjustments	(18,228)	(36,354)
Operating Transfer In - General Fund	25,000	25,000
Net Income	6,772	(11,354)
Net Position - July 1	70,360	81,714
Net Position - June 30	\$ 77,132	\$ 70,360

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 49,401	53,764
Payments to Employees	(73,187)	(76,740)
Payments for Employee Benefits	(19,741)	(25,757)
Payments to Suppliers	(61,545)	(80,394)
Net Cash Provided by (used for) Operating Activities	<u>(105,072)</u>	<u>(129,127)</u>
Cash Flows from Non-capital Financing Activities:		
Cash Received from State and Federal Reimbursements	96,471	87,700
Cash Received from General Fund Operating		
Operating Transfer In	25,000	25,000
Net Cash Provided by Non-capital Financing Activities	<u>121,471</u>	<u>112,700</u>
Cash Flows from Capital and Related Financing Activities		
Fixed Assets (Purchased) Sold		
Net Cash Provided by Capital and Related Financing Activities		
Cash Flows from Investing Activities		
Interest on Investments		
Net Cash Provided by Investing Activities		
Net Increase in Cash	16,399	(16,427)
Cash and Cash Equivalents, July 1	20,685	37,112
Cash and Cash Equivalents, June 30	<u>\$ 37,084</u>	<u>\$ 20,685</u>
Operating Income (Loss)	\$ (127,566)	\$ (135,929)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:		
Depreciation	2,595	2,991
Food Distribution Program	12,867	11,875
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(1,058)	(9,418)
(Increase) Decrease in Inventory	(618)	284
(Increase) Decrease in Interfund Receivable	9,111	
Increase (Decrease) in Unearned Revenue	924	(471)
Increase (Decrease) in Compensated Absences	205	84
Increase (Decrease) in Accounts Payable	(1,532)	1,457
Total Adjustments	<u>22,494</u>	<u>6,802</u>
Net Cash Used by Operating Activities	<u>\$ (105,072)</u>	<u>\$ (129,127)</u>

## **FIDUCIARY FUNDS DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

**Student Activity Fund** – This agency fund is used to account for student funds held at the schools.

**Payroll Fund** – This agency fund is used to account for the payroll transactions of the school district.

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**TRUST AND AGENCY FUND**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2015**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)**

	<b><u>Expendable Trust Unemployment</u></b>	<b><u>Student Activity</u></b>	<b><u>Payroll</u></b>	<b><u>Total 2015</u></b>	<b><u>Total 2014</u></b>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 237,436	\$ 40,721	\$ 1,195	\$ 279,352	\$ 301,425
Total Assets	<u>\$ 237,436</u>	<u>\$ 40,721</u>	<u>\$ 1,195</u>	<u>\$ 279,352</u>	<u>\$ 301,425</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Payroll Deductions Payable	\$ 1,628	\$	\$ 1,195	\$ 2,823	\$ 25,954
Due to Student Groups		40,721		40,721	40,490
Total Liabilities	<u>1,628</u>	<u>40,721</u>	<u>1,195</u>	<u>43,544</u>	<u>66,444</u>
Fund Balances:					
Reserved for Unemployment Claims	<u>235,808</u>			<u>235,808</u>	<u>234,981</u>
Total Liabilities and Fund Balances	<u>\$ 237,436</u>	<u>\$ 40,721</u>	<u>\$ 1,195</u>	<u>\$ 279,352</u>	<u>\$ 301,425</u>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**  
**EXPENDABLE TRUST FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUES:</b>		
Local Sources:		
Contribution	\$	\$
Interest on Investments and Deductions		
Unemployment Deductions	10,550	10,937
	<u>10,550</u>	<u>10,937</u>
<b>OPERATING EXPENSES:</b>		
Unemployment Compensation Expenses	9,723	4,656
	<u>9,723</u>	<u>4,656</u>
Total Operating Expenses	9,723	4,656
	<u>9,723</u>	<u>4,656</u>
Operating Income (Loss)	827	6,281
	<u>827</u>	<u>6,281</u>
Net Income (Loss)	827	6,281
	<u>827</u>	<u>6,281</u>
Fund Balances, July 1	234,981	228,700
	<u>234,981</u>	<u>228,700</u>
Fund Balances, June 30	\$ 235,808	\$ 234,981
	<u><u>\$ 235,808</u></u>	<u><u>\$ 234,981</u></u>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b><u>Balance</u></b> <b><u>July 1,</u></b> <b><u>2014</u></b>	<b><u>Cash</u></b> <b><u>Receipts</u></b>	<b><u>Accounts</u></b> <b><u>Receivable</u></b>	<b><u>Cash</u></b> <b><u>Disbursements</u></b>	<b><u>Interfund</u></b> <b><u>Payable</u></b>	<b><u>Balance</u></b> <b><u>June 30,</u></b> <b><u>2015</u></b>
<b>ELEMENTARY SCHOOLS</b>	\$ 40,490	\$ 49,749	\$ 1,681	\$ 51,023	\$ 176	\$ 40,721

**Analysis of June 30, 2015 Balance:**

Band	\$ 1,368
Student Council	1,012
Yearbook	2,358
Grade 8 Trip	668
Class Trips	3,672
Miscellaneous	2,901
Principal	4,423
Sports Club	1,252
AED Fund	1,599
Art	1,987
Photo Club	229
Drama Club	725
Bridges	18
MRTES Supplies/Texts	17,977
National Juniors Honors society	532
	<u>\$ 40,721</u>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Balance June 30, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2015</b>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 24,217	\$ 2,505,570	\$ 2,528,592	\$ 1,195
Total Assets	\$ 24,217	\$ 2,505,570	\$ 2,528,592	\$ 1,195
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 24,217	\$ 2,505,570	\$ 2,528,592	\$ 1,195
Total Liabilities	\$ 24,217	\$ 2,505,570	\$ 2,528,592	\$ 1,195

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding and obligations under capital leases.



**EXHIBIT I-1**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**GENERAL LONG-TERM DEBT**  
**SCHEDULE OF SERIAL BONDS**  
**JUNE 30, 2015**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Issued	Redeemed	Balance
			Date	Amount		July 1, 2014			June 30, 2015
Refunding Bonds	January 1, 2007	\$ 1,950,000	1/1/16	\$ 150,000	Various	\$ 1,165,000	\$	\$ 140,000	\$ 1,025,000
			1/1/17	145,000					
			1/1/18	150,000					
			1/1/19	150,000					
			1/1/20	145,000					
			1/1/21	145,000					
			1/1/22	140,000					

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 96,640	\$	\$ 96,640	\$ 96,640	\$
Total Revenues - Local Sources	96,640		96,640	96,640	
State Sources:					
Debt Service Aid Type II	91,723		91,723	91,723	
Total Revenues - State Sources	91,723		91,723	91,723	
Total Revenues	188,363		188,363	188,363	
<b>EXPENDITURES</b>					
Regular Debt Service:					
Interest	48,363		48,363	48,363	
Redemption of Principal	140,000		140,000	140,000	
Total Regular Debt Service	188,363		188,363	188,363	
Total Expenditures	188,363		188,363	188,363	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balances, July 1					
Fund Balances, June 30	\$	\$	\$	\$	\$

## **STATISTICAL SECTION**

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(UNAUDITED)*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt \$	1,479,229	\$ 1,599,003	\$ 1,558,829	\$ 1,621,144	\$ 1,715,883	\$ 1,959,264	\$ 1,867,798	\$ 1,793,120	\$ 1,795,882	\$ 1,743,934
Restricted	1,291,433	831,590	1,082,525	1,468,080	1,324,339	1,307,033	1,376,839	1,491,397	1,413,164	1,411,384
Unrestricted	(238,391)	186,131	136,764	(32,836)	158,387	(76,497)	19,394	(199,578)	(469,365)	(1,934,286)
<b>Total Governmental Activities Net Position</b>	<b>\$ 2,532,271</b>	<b>\$ 2,616,724</b>	<b>\$ 2,778,118</b>	<b>\$ 3,056,388</b>	<b>\$ 3,198,609</b>	<b>\$ 3,189,800</b>	<b>\$ 3,264,031</b>	<b>\$ 3,084,939</b>	<b>\$ 2,739,681</b>	<b>\$ 1,221,032</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt \$	13,151	\$ 10,458	\$ 5,505	\$ 3,938	\$ 3,570	\$ 35,747	\$ 33,854	\$ 50,863	\$ 27,872	\$ 25,277
Restricted					46,222	13,252				
Unrestricted	87,060	76,426	67,810	70,093	49,383	4,300	16,764	30,851	42,488	51,855
<b>Total Business-Type Activities Net Position</b>	<b>\$ 100,211</b>	<b>\$ 86,884</b>	<b>\$ 73,315</b>	<b>\$ 74,031</b>	<b>\$ 99,175</b>	<b>\$ 53,299</b>	<b>\$ 50,618</b>	<b>\$ 81,714</b>	<b>\$ 70,360</b>	<b>\$ 77,132</b>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt \$	1,492,380	\$ 1,609,461	\$ 1,564,334	\$ 1,625,082	\$ 1,719,453	\$ 1,995,011	\$ 1,901,652	\$ 1,843,983	\$ 1,823,754	\$ 1,769,211
Restricted	1,023,415	831,590	1,082,525	1,468,080	1,370,561	1,320,285	1,376,839	1,491,397	1,413,164	1,411,384
Unrestricted	116,687	262,557	204,574	37,257	207,770	(72,197)	36,158	(168,727)	(426,877)	(1,882,431)
<b>Total District-Wide Net Position</b>	<b>\$ 2,632,482</b>	<b>\$ 2,703,608</b>	<b>\$ 2,851,433</b>	<b>\$ 3,130,419</b>	<b>\$ 3,297,784</b>	<b>\$ 3,243,099</b>	<b>\$ 3,314,649</b>	<b>\$ 3,166,653</b>	<b>\$ 2,810,041</b>	<b>\$ 1,298,164</b>

Source: CAFR Schedule A-1

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(UNAUDITED)*

Fiscal Year Ending June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental Activities										
Instruction										
Regular	\$ 1,286,716	1,786,160	1,979,230	2,088,195	2,037,109	2,188,970	1,739,030	1,896,048	1,871,215	1,741,956
Special Education	776,840	436,754	325,840	312,532	286,083	223,979	357,011	374,806	453,675	413,385
Other Special Instruction	45,096	48,056	30,915	20,014	109,136	18,652	50,410	22,958	5,744	45,833
Support Services										
Tuition	1,642,713	1,730,876	1,364,450	1,455,397	1,668,910	2,055,731	2,320,553	2,478,241	2,776,199	2,311,928
Student and Instruction Related Services	631,946	589,637	557,389	528,766	508,509	460,082	516,084	565,657	557,925	598,703
General Administrative Services	207,828	195,913	211,137	183,034	179,515	121,826	123,993	122,213	169,326	146,857
School Administrative Services	74,488	72,577	66,475	63,110	64,211	112,955	116,005	143,405	112,436	155,858
Central Services	171,447	168,566	177,485	177,822	200,288	195,722	210,545	215,043	205,950	202,171
Plant Operations and Maintenance	455,179	419,362	560,942	485,532	410,904	462,502	465,310	484,411	427,701	554,147
Security							20,500	75,890	20,145	
Pupil Transportation	346,855	372,291	453,603	459,348	404,256	446,627	476,343	414,111	514,968	456,013
Employee Benefits	1,493,065	1,765,118	1,955,649	1,493,705	1,756,327	1,163,964	1,213,044	1,410,958	1,411,111	2,136,720
Business and Other Support Services										
Amortization of Debt Issue Costs	2,000	2,000	12,400	4,400	4,400	4,400	4,400			
Interest on Long-Term Debt	121,072	122,051	65,429	83,821	75,261	66,213	61,713	57,013	51,488	45,138
Unallocated Depreciation and Amortization	184,989	216,094	203,295	195,329	190,504	212,801	224,697	202,145	197,195	191,948
Loss on Disposition of Capital Assets										
Total Governmental Activities Expenses	7,440,234	7,925,455	7,964,239	7,551,005	7,895,413	7,734,424	7,899,638	8,462,899	8,775,078	9,000,657
Business-Type Activities										
Food Service	161,701	166,827	173,817	172,588	171,314	172,832	214,054	148,693	189,693	176,967
Total Business-Type Activities Expense	161,701	166,827	173,817	172,588	171,314	172,832	214,054	148,693	189,693	176,967
Total District Expenses	\$ 7,601,935	8,092,282	8,138,056	7,723,593	8,066,727	7,907,256	8,113,692	8,611,592	8,964,771	9,177,624
<b>Program Revenues</b>										
Governmental Activities										
Operating Grants and Contributions	\$ 670,642	1,277,900	1,296,936	718,326	823,201	756,947	762,855	903,559	849,458	1,428,407
Total Governmental Activities Program Revenues	670,642	1,277,900	1,296,936	718,326	823,201	756,947	762,855	903,559	849,458	1,428,407
Business-Type Activities										
Charges for Services										
Food Service	73,371	67,960	70,458	73,122	61,009	49,151	58,966	55,278	53,764	49,401
Operating Grants and Contributions	63,586	58,267	63,631	75,020	75,449	77,805	87,407	99,511	99,575	109,338
Total Business-Type Activities Program Revenues	136,957	126,227	134,089	148,142	136,458	126,956	146,373	154,789	153,339	158,739
Total District Program Revenues	\$ 807,599	1,404,127	1,431,025	866,468	959,659	883,903	909,228	1,058,348	1,002,797	1,587,146
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (6,769,592)	(6,647,555)	(6,667,303)	(6,832,679)	(7,072,212)	(6,977,477)	(7,136,783)	(7,559,340)	(7,925,620)	(7,572,250)
Business-Type Activities	(24,744)	(40,600)	(39,728)	(24,446)	(34,856)	(45,876)	(67,681)	6,096	(36,354)	(18,228)
Total District-Wide Net Expense	\$ (6,794,336)	(6,688,155)	(6,707,031)	(6,857,125)	(7,107,068)	(7,023,353)	(7,204,464)	(7,553,244)	(7,961,974)	(7,590,478)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 2,268,985	2,389,168	2,414,644	2,466,484	2,528,781	2,528,781	2,545,856	2,612,637	2,612,637	2,702,847
Taxes Levied for Debt Service	104,553	102,808	105,333	107,833	79,454	91,535	91,844	92,045	92,151	96,640
Unrestricted Grants and Contributions	4,435,904	3,972,315	4,136,051	4,335,341	4,308,255	4,153,583	4,545,654	4,636,135	4,836,896	4,788,495
Tuition Received	37,767	34,287	15,900	49,424		8,844	3,379	37,669		
Transportation Charges	114,682	129,466	124,467	164,912	181,396	103,846	47,721	60,644	62,805	64,201
Investment Earnings	39,926	54,428	33,298	12,452	1,309	167	38	52	43	48
Miscellaneous Income	5,266	41,690	24,004	1,078	175,238	81,912	41,522	10,066	830	12,627
Fixed Asset Adjustment	(160,852)	32,846		(1,575)						
Transfers	(25,000)	(25,000)	(25,000)	(25,000)	(60,000)		(65,000)			
Total Governmental Activities	6,821,231	6,732,008	6,828,697	7,110,949	7,214,433	6,968,668	7,211,014	7,449,248	7,605,362	7,664,858
Business-Type Activities										
Miscellaneous Income	2,676	2,273	1,159	162						
Transfer	25,000	25,000	25,000	25,000	60,000		65,000			
Total Business-Type Activities	27,676	27,273	26,159	25,162	60,000		65,000			
Total District-Wide	\$ 6,848,907	6,759,281	6,854,856	7,136,111	7,274,433	6,968,668	7,276,014	7,449,248	7,605,362	7,664,858
<b>Change in Net Position</b>										
Governmental Activities	\$ 51,639	84,453	161,394	278,270	142,221	(8,809)	74,231	(110,092)	(320,258)	92,608
Business-Type Activities	2,932	(13,327)	(13,569)	716	25,144	(45,876)	(2,681)	6,096	(36,354)	(18,228)
Total District-Wide	\$ 54,571	71,126	147,825	278,986	167,365	(54,685)	71,550	(103,996)	(356,612)	74,380

Source: CAFR Schedule A-2

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
*(UNAUDITED)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Restricted:	1,023,415 \$	831,590 \$	1,268,288 \$	1,687,964 \$	1,763,771 \$	1,455,595 \$	1,620,036 \$	1,630,212 \$	\$	
Maintenance Reserve									355,292	311,042
Emergency Reserve									250,000	250,000
Tuition Reserve									245,000	225,962
Assigned:										
Encumbrances									27,663	223,760
Tuition Reserve									245,875	245,000
Capital Reserve									90,000	90,000
Subsequent Year's Expenditures									213,637	73,248
Unassigned	242,360	409,117	80,974	(131,016)	(148,982)	(128,940)	(130,234)	(230,791)	(381,613)	(259,039)
Total General Fund	<u>1,265,775 \$</u>	<u>1,240,707 \$</u>	<u>1,349,262 \$</u>	<u>1,556,948 \$</u>	<u>1,614,789 \$</u>	<u>1,326,655 \$</u>	<u>1,489,802 \$</u>	<u>1,399,421 \$</u>	<u>1,045,854 \$</u>	<u>1,159,973</u>
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, Reported in:										
Debt Service Fund			21,581	21,582	3	3				
Special Revenue Fund	(17,941)	(17,941)	(20,816)	(10,148)	(10,148)	(10,031)	(12,767)	(12,078)	(14,303)	(7,628)
Total All Other Governmental Funds	<u>(17,941) \$</u>	<u>(17,941) \$</u>	<u>765 \$</u>	<u>11,434 \$</u>	<u>(10,145) \$</u>	<u>(10,028) \$</u>	<u>(12,767) \$</u>	<u>(12,078) \$</u>	<u>(14,303) \$</u>	<u>(7,628)</u>

Source: CAFR Schedule B-1

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax Levy	\$ 2,373,538	\$ 2,373,538	\$ 2,519,977	\$ 2,574,317	\$ 2,608,235	\$ 2,620,316	\$ 2,637,700	\$ 2,704,682	\$ 2,704,788	\$ 2,799,487
Tuition Charges - Other LEAs	37,767	34,287	5,749	36,731		8,844	3,379	37,669		
Tuition Charges - From Individuals			10,151	12,693						
Transportation Charges	114,682	129,466	124,467	164,912	181,396	103,846	47,721	60,644	62,805	64,201
Interest Earnings	39,926	54,428	33,298	12,452	1,309	167	38	52	43	48
Miscellaneous	5,266	41,690	24,004	1,078	175,238	81,912	41,522	10,666	830	12,627
State Sources	4,796,028	4,966,374	5,197,226	4,773,957	4,158,825	4,578,975	4,904,983	5,251,836	5,398,671	5,395,505
Federal Sources	310,518	283,841	235,761	279,710	972,631	331,555	403,526	287,858	287,683	285,653
<b>Total Revenues</b>	<b>7,677,725</b>	<b>7,883,624</b>	<b>8,150,633</b>	<b>7,855,850</b>	<b>8,097,634</b>	<b>7,725,615</b>	<b>8,038,869</b>	<b>8,353,407</b>	<b>8,454,820</b>	<b>8,557,521</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	1,725,158	1,786,160	1,979,230	2,088,195	2,037,109	2,188,970	1,739,030	1,896,048	1,871,215	1,741,956
Special Education Instruction	338,398	436,754	325,840	312,532	286,083	223,979	357,011	374,806	453,675	413,385
Other Special Instruction	45,096	48,056	30,915	20,014	109,136	18,652	50,410	22,958	5,744	45,833
<b>Support Services</b>										
Tuition	1,642,713	1,730,876	1,364,450	1,455,397	1,668,910	2,055,731	2,320,553	2,478,241	2,776,199	2,311,928
Student and Instruction Related Services	631,946	589,637	557,389	528,766	508,509	460,082	516,084	565,657	557,925	598,703
General Administrative Services	207,828	195,913	211,137	183,034	179,515	121,826	123,993	122,213	169,326	146,857
School Administrative Services	74,488	72,577	66,475	63,110	64,211	112,955	116,005	143,405	112,436	155,858
Central Services	171,447	168,566	177,485	177,822	200,288	195,722	210,545	215,043	205,950	202,171
Plant Operations and Maintenance	455,179	419,362	560,942	485,532	410,904	462,502	465,310	484,411	427,701	554,147
Security							20,500	75,890	20,145	
Pupil Transportation	346,855	372,291	453,603	459,348	404,256	446,627	476,343	414,111	514,968	456,013
Employee Benefits						1,201,991	1,220,430	1,437,839	1,415,758	1,596,513
Unallocated Employee Benefits	1,466,223	1,754,821	1,963,323	1,507,039	1,756,513	346,182	18,231	7,467	74,957	
Capital Outlay	116,368	167,382	54,549	77,125	120,358					
<b>Debt Service</b>										
Principal	131,946	135,640	174,572	168,760	178,219	110,000	115,000	120,000	125,000	140,000
Interest and Other Charges	131,875	124,095	78,462	85,821	77,361	68,413	64,013	59,413	54,613	48,363
<b>Total Expenditures</b>	<b>7,485,520</b>	<b>8,002,130</b>	<b>7,998,372</b>	<b>7,612,495</b>	<b>8,001,372</b>	<b>8,013,632</b>	<b>7,813,458</b>	<b>8,417,502</b>	<b>8,785,612</b>	<b>8,411,727</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	192,205	(118,506)	152,261	243,355	96,262	(288,017)	225,411	(64,095)	(330,792)	145,794
<b>Other Financing Sources (Uses)</b>										
Capital Lease (Non-budgeted)										
Transfers	(25,000)	(25,000)	(25,000)	(25,000)	(60,000)		(65,000)	(25,000)	(25,000)	(25,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(60,000)</b>		<b>(65,000)</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(25,000)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 167,205</b>	<b>\$ (143,506)</b>	<b>\$ 127,261</b>	<b>\$ 218,355</b>	<b>\$ 36,262</b>	<b>\$ (288,017)</b>	<b>\$ 160,411</b>	<b>\$ (89,095)</b>	<b>\$ (355,792)</b>	<b>\$ 120,794</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	3.6%	3.3%	3.2%	3.4%	3.2%	2.2%	2.3%	2.1%	2.0%	2.2%

Source: CAFR Schedule B-2

**EXHIBIT J-5**

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b>Fiscal Year Ended June 30,</b>	<b>Interest on Investments</b>	<b>Tuition Revenue</b>	<b>Transportation Fees</b>	<b>Cumberland Recycling</b>	<b>ERATE</b>	<b>Maurice River Twp. Cleaning</b>	<b>Refund of Prior Year Expenditures</b>	<b>Rent</b>	<b>Misc.</b>	<b>Total</b>
2015	\$ 48	\$	\$ 64,201	\$ 1,316	\$	\$ 992	\$	\$ 901	\$ 9,418	\$ 76,876
2014	43		62,805			1,334			(504)	63,678
2013	52	37,669	60,644				3,963		6,103	108,431
2012	38	3,379	47,721		2,988		26,959		11,575	92,660
2011	167	8,844	103,846				74,518		7,394	194,769
2010	1,309		181,396				171,633		3,605	357,943
2009	12,452	49,424	164,912						1,078	227,866
2008	33,298	15,900	124,467			1,112	4,858		18,034	197,669
2007	54,428	34,287	129,466				36,461	650	4,579	259,871
2006	39,926	37,767	114,682			443	3,694	150	979	197,641

Source: District Records



**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b>Fiscal Year Ended June 30,</b>	<b>Vacant Land</b>	<b>Residential</b>	<b>Farm Reg.</b>	<b>Qfarm</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Apartment</b>	<b>Total Assessed Value</b>	<b>Public Utilities <sup>a</sup></b>	<b>Net Valuation Taxable</b>	<b>Total Direct School Tax Rate <sup>b</sup></b>	<b>Estimated Actual (County Equalized Value)</b>
2015	\$ 11,855,200	\$ 241,441,700	\$ 7,125,600	\$ 2,235,700	\$ 18,918,800	\$ 18,270,900	\$ 619,700	\$ 300,467,600	\$ 604,947	\$ 301,072,547	\$ 0.935	\$ 310,640,267
2014	11,327,000	241,760,400	6,868,300	2,226,800	19,025,900	18,295,700	619,700	300,123,800	581,495	300,705,295	0.931	320,991,989
2013	11,645,100	239,935,900	7,230,700	2,235,100	19,196,500	18,308,000	619,700	299,171,000	887,632	300,058,632	0.902	341,988,283
2012	23,022,700	240,934,300	6,934,500	2,115,900	19,506,500	7,169,200	621,200	300,304,300	909,270	301,213,570	0.898	343,121,583
2011	23,509,300	241,367,100	6,331,000	1,836,000	19,256,200	7,188,300	621,200	300,109,100	996,724	301,105,824	0.877	327,354,786
2010	23,872,500	241,014,800	7,252,200	1,789,100	19,477,000	7,218,300	621,200	301,245,100	1,333,880	302,578,980	0.866	306,915,257
2009	6,992,700	115,440,400	3,352,400	1,813,500	8,168,600	9,743,700	393,200	145,904,500	626,560	146,531,060	1.845	320,077,239
2008	8,638,400	114,414,900	3,273,200	1,688,000	7,923,100	7,661,200	392,300	143,991,100	612,587	144,603,687	1.781	295,410,603
2007	9,220,200	112,727,000	3,302,800	1,689,200	7,867,400	7,331,800	391,500	142,529,900	640,999	143,170,899	1.750	289,689,671
2006	10,184,100	110,569,200	3,514,300	1,689,800	6,875,800	7,605,500	125,100	140,563,800	734,303	141,298,103	1.750	222,138,692

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(Rate Per \$100 of Assessed Value)*  
*(UNAUDITED)*

<b>Maurice River Township Board of Education</b>				<b>Overlapping Rates</b>		
<b>Year Ended June 30,</b>	<b>Basic Rate <sup>a</sup></b>	<b>General Obligation Debt Service <sup>b</sup></b>	<b>Total Direct</b>	<b>Maurice River Township</b>	<b>Cumberland County</b>	<b>Total</b>
2015	\$ 0.903	\$ 0.032	\$ 0.935	\$ 0.427	\$ 1.126	\$ 2.488
2014	0.899	0.032	0.931	0.428	1.083	2.442
2013	0.871	0.031	0.902	0.422	1.061	2.385
2012	0.867	0.031	0.898	0.385	1.083	2.366
2011	0.846	0.031	0.877	0.329	1.038	2.244
2010	0.840	0.026	0.866	0.263	0.927	2.056
2009	1.705	0.075	1.780	0.412	1.961	4.153
2008	1.707	0.074	1.781	0.342	1.945	4.068
2007	1.688	0.073	1.761	0.385	1.740	3.886
2006	1.670	0.077	1.747	0.420	1.466	3.633

Source: District Records and Municipal Tax Collector

**Note:** NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

**a** The District's basic tax rate is calculated from the A4F form which is submitted with the Net Valuation Taxable.

**b** Rates for debt service are based on each year's requirements.

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Whibco Inc.	\$ 7,694,500	2.56%	\$ 4,573,100	3.25%
US Silica Company	5,078,800	1.69%	3,411,800	2.43%
WaWa, Inc.	2,950,000	0.98%	1,504,000	1.07%
Mays Landing Sand & Gravel Co., Inc.	2,742,200	0.91%	2,253,700	1.60%
Imbesi Family Limited Partnership Agreement	1,740,700	0.58%	1,046,100	0.74%
Dom Zanghi & Sons Inc.	1,217,000	0.40%		
Atlantic Mason Supply Inc.	1,206,500	0.40%		
Taxpayer #1	1,206,400	0.40%	560,600	0.40%
Taxpayer #2		0.00%	528,500	0.38%
Nicole-Kirstie LLC	1,128,100	0.37%		
New Jersey Lots Inc.		0.00%	499,000	0.35%
Kozani LLC	956,800	0.32%		
Ocean Food & Fuels, LLC			500,000	0.36%
Boat World Marina, LLC			450,000	0.32%
Total	\$ 25,921,000	8.61%	\$ 15,326,800	10.90%

Source: District CAFR & Municipal Tax Assessor

**EXHIBIT J-9**

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,		Taxes Levied for the Fiscal Year		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
				Amount	% of Levy	
2015	\$	2,799,487	\$	2,799,487	100.00%	
2014		2,704,788		2,704,788	100.00%	
2013		2,704,682		2,704,682	100.00%	
2012		2,637,700		2,637,700	100.00%	
2011		2,620,316		2,620,316	100.00%	
2010		2,608,235		2,608,235	100.00%	
2009		2,574,317		2,574,317	100.00%	
2008		2,519,977		2,519,977	100.00%	
2007		2,491,976		2,491,976	100.00%	
2006		2,436,743		2,436,743	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

**Note:**

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2015	\$ 1,025,000	\$	\$	\$	\$ 1,025,000	0.34%	\$ 128 *
2014	1,165,000				1,165,000	0.39%	147
2013	1,290,000				1,290,000	0.46%	168
2012	1,410,000				1,410,000	0.48%	174
2011	1,525,000				1,525,000	0.53%	187
2010	1,635,000				1,635,000	0.59%	205
2009	1,740,000	73,219			1,813,219	0.68%	226
2008	1,840,000	141,979			1,981,979	0.76%	250
2007	1,884,000	206,552			2,090,552	0.85%	266
2006	1,959,000	267,191			2,226,191	0.94%	283

\* Estimate

Source: District CAFR Schedules I-1, I-2

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 1,025,000	\$	\$ 1,025,000	0.33%	\$ 128 *
2014	1,165,000		1,165,000	0.36%	147
2013	1,290,000		1,290,000	0.38%	168
2012	1,410,000		1,410,000	0.41%	174
2011	1,525,000		1,525,000	0.47%	187
2010	1,635,000		1,635,000	0.51%	203
2009	1,740,000		1,740,000	0.54%	212
2008	1,840,000		1,840,000	0.62%	225
2007	1,884,000		1,884,000	0.65%	234
2006	1,959,000		1,959,000	0.88%	244

\* Estimate

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial statements.

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

If a District has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2015**  
**(UNAUDITED)**

<b><u>Governmental Unit</u></b>	<b><u>Debt Outstanding</u></b>	<b><u>Estimated Percentage Applicable <sup>a</sup></u></b>	<b><u>Estimated Share of Overlapping Debt</u></b>
<b>Debt Repaid with Property Taxes</b>			
Township of Maurice River	\$	100%	\$
<b>Other Debt</b>			
County of Cumberland - Township Share	85,261,470	3.5%	3,008,683
Subtotal, Overlapping Debt			3,008,683
<b>Maurice River Township School District Direct Debt</b>			1,025,000
<b>Total Direct and Overlapping Debt</b>			\$ 4,033,683

**Source:** Maurice River Township Finance Officer and Cumberland County Finance Office

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Maurice River. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

**a** For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

**Legal Debt Margin Calculation for Fiscal Year 2014**

	Equalized Valuation Basis	
	2014	\$ 303,185,978
	2013	308,678,291
	2012	320,563,941
	[A]	\$ 932,428,210
Average Equalized Valuation of Taxable Property	[A/3]	\$ 310,809,403
Debt Limit (3% of Average Equalization Value)	[B]	9,324,282 <sup>a</sup>
Net Bonded School Debt	[C]	1,025,000
Legal Debt Margin	[B-C]	\$ 8,299,282

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 5,770,810	\$ 6,592,456	\$ 7,618,507	\$ 8,581,313	\$ 9,034,110	\$ 9,779,214	\$ 9,658,494	\$ 9,843,961	\$ 9,683,869	\$ 9,324,282
Total Net Debt Applicable to Limit	1,959,000	1,884,000	1,799,000	1,740,000	1,635,000	1,525,000	1,410,000	1,290,000	1,165,000	1,025,000
Legal Debt Margin	\$ 3,811,810	\$ 4,708,456	\$ 5,819,507	\$ 6,841,313	\$ 7,399,110	\$ 8,254,214	\$ 8,248,494	\$ 8,553,961	\$ 8,518,869	\$ 8,299,282
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	33.95%	28.58%	23.61%	20.28%	18.10%	15.59%	14.60%	13.10%	12.03%	10.99%

Source: Abstract of Ratables and District Records

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts



**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b>Year</b>		<b>Population <sup>a</sup></b>		<b>Personal Income (thousands of dollars) <sup>b</sup></b>		<b>Per Capita Personal Income <sup>c</sup></b>	<b>Unemployment Rate <sup>d</sup></b>
2015	**	8,019	\$	301,983,767	\$	37,659	11.7%
2014		7,923		295,414,404		37,286	11.4%
2013		7,659		282,743,550		36,917	10.1%
2012		8,092		295,770,692		36,551	11.4%
2011		8,159		290,134,040		35,560	10.1%
2010		8,074		279,271,586		34,589	8.7%
2009		8,196		273,984,084		33,429	8.2%
2008		8,176		267,641,360		32,735	4.6%
2007		8,060		251,141,540		31,159	3.8%
2006		8,041		241,020,934		29,974	4.2%

\*\* Estimate

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

	2015		2006	
Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Inspira Health Network				
Durand Glass Manuf.				
Gerrsheimer Glass				
Walmart				
ShopRite				
WaWa				
Elwyn N.J.				
Omni Baking				
General Mills				
Bayada Nurses				
	-			

**Source:** Cumberland County Department of Planning Info for Cumberland County

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b><u>Function/Program</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Instruction										
Regular		30.6	30.55	29.56	30.1	25.5	25.1	25.0	27.0	26
Special Education		8.0	6.0	5.0	5.0	4.0	7.0	6.5	7.0	7
Other Special Education										
Vocational										
Other Instruction		5.0	6.0	7.0	7.0	8.0	6.0	6.0	8.5	8.5
Support Services:										
Tuition										
Student & Instruction Related Services	2.2	8.1	8.15	6.55	6.4	4.3	5.3	4.8	5.2	5.2
General Administrative Services	1.2	1.3	1.3	1.5	1.3	0.8	0.8	0.8	1.4	1.4
School Administrative Services	1.1	1.3	1.3	0.88	1.0	1.3	1.3	1.3	0.8	0.8
Business Administrative Services	3.4	3.1	3.1	2.95	3.25	3.30	3.30	3.80	3.80	3.8
Plant Operations and Maintenance	6.2	6.5	6.5	5.0	5.0	5.0	4.5	5.0	5.1	5.1
Pupil Transportation	7.8	7.9	7.4	7.2	7.0	6.5	4.5	4.0	5.0	5.5
Food Service	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.0	3.5	2.4
Total	25.9	75.8	74.3	69.14	69.55	62.20	61.30	60.20	67.30	65.70

**Source:** District Personnel Records

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures <sup>a</sup></b>	<b>Cost Per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff <sup>b</sup></b>	<b>Pupil/ Teacher Ratio Elementary</b>	<b>Average Daily Enrollment (ADE) <sup>c</sup></b>	<b>Average Daily Attendance (ADA) <sup>c</sup></b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2015	424	\$ 8,223,364	\$ 19,395	-5.82%	33.0	20 : 1	428.0	397.0	1.18%	92.8%
2014	423	8,710,655	20,593	6.02%	34.0	19 : 1	423.0	394.0	-3.03%	93.1%
2013	433	8,410,035	19,423	-2.08%	31.5	22 : 1	436.2	393.2	10.88%	90.1%
2012	393	7,795,227	19,835	-6.62%	32.1	21 : 1	393.4	365.1	5.72%	92.8%
2011	367	7,667,450	21,240	8.35%	29.5	20 : 1	372.1	340.3	-3.97%	91.5%
2010	389	7,625,434	19,603	6.35%	35.1	18 : 1	387.5	363.7	-2.64%	93.9%
2009	395	7,280,789	18,432	-5.81%	39	20 : 1	398.0	375.0	0.63%	94.2%
2008	393	7,690,789	19,569	0.75%	41	19 : 1	395.5	373.8	0.79%	94.5%
2007	390	7,575,013	19,423	10.98%	43	19 : 1	392.4	371.0	-4.48%	94.5%
2006	406	7,105,331	17,501	1.26%	39	20 : 1	410.8	386.0	0.17%	94.0%

**Sources:** District records

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule B-2
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Maurice River Township Elementary										
Square Feet	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114
Capacity (students)	688	688	688	688	688	688	688	688	688	688
Enrollment	406.0	389.0	393.0	395.0	389.0	367.0	393.0	433.0	423.0	424.0
<b><u>Other</u></b>										
Administration Building/Maintenance Building										
Square Feet	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304

Number of Schools at June 30, 2015

    Elementary = 1

    Other = 1

**Source:** District records, ASSA

**Note:** Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**GENERAL FUND**  
**SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Maurice River Township Elementary School	62,114	\$ 29,656	\$ 30,467	\$ 25,642	\$ 34,533	\$ 26,430	\$ 30,364	\$ 32,244	\$ 24,731	\$ 18,772	\$ 16,734
Total School Facilities		29,656	30,467	25,642	34,533	26,430	30,364	32,244	24,731	18,772	16,734
Other Facilities	2,304										
Grand Total		<u>\$ 29,656</u>	<u>\$ 30,467</u>	<u>\$ 25,642</u>	<u>\$ 34,533</u>	<u>\$ 26,430</u>	<u>\$ 30,364</u>	<u>\$ 32,244</u>	<u>\$ 24,731</u>	<u>\$ 18,772</u>	<u>\$ 16,734</u>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2015**  
*(UNAUDITED)*

**New Jersey School Boards Association Insurance Group**

	<u>Coverage</u>	<u>Deductible</u>
Commercial Policy		
Property - Blanket Building and Contents	\$ 12,979,724	\$ 1,000
Comprehensive General Liability	6,000,000	
Boiler and Machinery	100,000,000	5,000
Comprehensive Automobile Liability	6,000,000	1,000
Comprehensive Crime Theft Coverage	100,000	1,000
Board of Education Legal Liability	4,000,000	5,000
Commercial Inland Marine	450,000	1,000
Workers Compensation:		
Each Accident	2,000,000	
Disease each employee	2,000,000	
Disease aggregate	2,000,000	
<b>Federal Insurance Company</b>		
Workers Compensation Supplemental	Full Salary	
<b>Berkley Insurance Company</b>		
Compulsory Student Accident Coverage	1,000,000	
<b>Markel Insurance Company</b>		
Catastrophic Student Accident Coverage	2,000,000	25,000
Catastrophic Cash Benefit	500,000	
<b>NJSBAIG</b>		
Treasurer's Bond	175,000	
<b>The Ohio Casualty Insurance Company</b>		
Business Administrator's Bond	50,000	

Source: District Records

**SINGLE AUDIT SECTION**



# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

November 16, 2015

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Maurice River Township School District  
County of Cumberland, New Jersey 08348

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education of the Maurice River Township School District's basic financial statements and have issued our report thereon dated November 16, 2015.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Maurice River Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Maurice River Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Maurice River Township Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Maurice River Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Maurice River Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

November 16, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
SCHEDULE OF EXPENDITURES REQUIRED BY OMB CIRCULAR A-133  
AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Maurice River Township School District  
County of Cumberland, New Jersey 08348

**Report on Compliance for Each Major Program**

We have audited the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey OMB Circular 04-04 and/or 15-08* and *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2015. The Maurice River Township Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Maurice River Township Board of Education's major federal and state compliance based on our audit of the types of compliance requirements referred above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB's Circular 04-04 and/or 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Maurice River Township Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Maurice River Township Board of Education's compliance with those requirements.

### **Opinion on Each Major Program**

In our opinion, the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct material effect on major federal and state programs for the fiscal year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of the Board of Education of the Maurice River Township School District's is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable and state programs. In planning and performing our audit, we considered Maurice River Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Maurice River Township School District Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies, in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance or deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditor's Management Report on Administrative Findings- Financial, Compliance and Performance* dated November 16, 2015. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08.

This report is intended solely for the information and use of the audit committee, management, the Maurice River Township Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,  
**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2014			Cash Received	Budgetary Expenditures	Adj.	Balance at June 30, 2015		
						(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program	10.565	N/A	\$13,386	7/1/14	6/30/15				\$13,386	(\$12,445)				\$941
Food Distribution Program	10.565	N/A	11,404	7/1/13	6/30/14		\$422			(422)				
School Breakfast Program	10.553	N/A	26,454	7/1/14	6/30/15				20,855	(26,454)		(\$5,599)		
School Breakfast Program	10.553	N/A	23,386	7/1/13	6/30/14	(\$5,507)			5,507					
National School Lunch Program	10.555	N/A	68,338	7/1/14	6/30/15				54,614	(68,338)		(13,724)		
National School Lunch Program	10.555	N/A	63,024	7/1/13	6/30/14	(\$12,714)			12,714					
National School Lunch Program	10.555	N/A	65,582	7/1/12	6/30/13									
Total U.S. Department of Agriculture						(18,221)	422		107,076	(107,659)		(19,323)	941	
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Title I, Part A	84.010A	NCLB - 3050-15	109,131	7/1/14	6/30/15				109,131	(109,131)				
Title I, Part A	84.010A	NCLB - 3050-14	115,039	7/1/13	6/30/14	(38,148)			38,149		(\$1)			
I.D.E.A. Part B, Basic Regular	84.027	IDEA - 3050-15	119,652	7/1/14	6/30/15				119,652	(119,652)				
I.D.E.A. Part B, Basic Regular	84.027	IDEA - 3050-14	128,689	7/1/13	6/30/14	(44,913)			44,913					
I.D.E.A. Part B, Pre-School	84.173	IDEA - 3050-15	3,231	7/1/14	6/30/15				3,231	(3,231)				
Title II Part A	84.367A	NCLB - 3050-15	24,341	7/1/14	6/30/15				24,341	(24,341)				
Title II Part A	84.367A	NCLB - 3050-14	24,149	7/1/13	6/30/14	(14,663)			14,663					
Small Rural Achievement Program	84.358A	NCLB - 3050-14	16,415	7/1/13	9/30/14	(4,405)			4,405					
Small Rural Achievement Program	84.358A	NCLB - 3050-15	17,715	7/1/14	9/30/15				14,059	(17,715)		(3,656)		
NJ Achievement Coaches Competitive	84.413A	15E00132	35,000	2/1/15	8/31/15					(11,276)		(11,276)		
Total U.S. Department of Education						(102,129)			372,544	(285,346)	(1)	(14,932)		
Total Federal Financial Assistance						(\$120,350)	\$422		\$479,620	(\$393,005)	(\$1)	(\$34,255)	\$941	

See accompanying notes to schedules of financial assistance

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2014				Balance at June 30, 2015			MEMO		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Equalization Aid	15-495-034-5120-078	\$3,545,120	7/1/14	6/30/15				\$3,199,426	(\$3,545,120)	(\$345,694)		*	(\$345,694)	\$3,545,120
Equalization Aid	14-495-034-5120-078	3,545,120	7/1/13	6/30/14	(\$354,512)			354,512						
Security Aid	15-495-034-5120-084	94,769	7/1/14	6/30/15				85,528	(94,769)	(9,241)		*	(9,241)	94,769
Security Aid	14-495-034-5120-084	94,769	7/1/13	6/30/14	(9,476)			9,476						
Special Education Categorical Aid	15-495-034-5120-089	283,265	7/1/14	6/30/15				255,643	(283,265)	(27,622)		*	(27,622)	283,265
Special Education Categorical Aid	14-495-034-5120-089	283,265	7/1/13	6/30/14	(12,351)			12,351						
Transportation Aid	15-495-034-5120-014	291,732	7/1/14	6/30/15				263,284	(291,732)	(28,448)		*	(28,448)	291,732
Transportation Aid	14-495-034-5120-014	291,732	7/1/13	6/30/14	(29,173)			29,173						
School Choice	15-495-034-5120-068	407,436	7/1/14	6/30/15				367,706	(407,436)	(39,730)		*	(39,730)	407,436
School Choice	14-495-034-5120-068	471,768	7/1/13	6/30/14	(47,177)			47,177						
Adjustment Aid	15-495-034-5120-085	21,720	7/1/14	6/30/15				19,602	(21,720)	(2,118)		*	(2,118)	21,720
Under Adequacy Aid	14-495-034-5120-096	21,720	7/1/13	6/30/14	(2,172)			2,172						
PARCC Readiness Aid	15-495-034-5120-098	5,470	7/1/14	6/30/15				4,937	(5,470)	(533)		*	(533)	5,470
Per Pupil Growth Aid	15-495-034-5120-097	5,470	7/1/14	6/30/15				4,937	(5,470)	(533)		*	(533)	5,470
Additional Adjustment Aid	15-495-034-5120-085	21,444	7/1/14	6/30/15				19,353	(21,444)	(2,091)		*	(2,091)	21,444
Extraordinary Aid	15-100-034-5120-473	17,905	7/1/14	6/30/15					(17,905)	(17,905)		*		17,905
Extraordinary Aid	14-100-034-5120-473	21,173	7/1/13	6/30/14	(21,173)			21,173						
Non-Public Transportation Aid	14-495-034-5120-014	3,894	7/1/13	6/30/14	(3,894)			3,894						
Non-Public Transportation Aid	15-495-034-5120-014	1,914	7/1/14	6/30/15					(1,914)	(1,914)		*		
Reimbursed TPAF SS Contribution	15-495-034-5094-003	178,921	7/1/14	6/30/15				170,107	(178,921)	(8,814)		*		
Reimbursed TPAF SS Contribution	14-495-034-5094-003	180,796	7/1/13	6/30/14	(8,888)			8,888						
Total General Fund					(488,816)			4,879,339	(4,875,166)	(484,643)			(456,010)	4,694,331
Special Revenue Fund:														
Preschool Education Aid	14-495-034-5120-086	143,025	7/1/13	6/30/14	(14,303)			14,303						
Preschool Education Aid	15-495-034-5120-086	76,280	7/1/14	6/30/15				68,652	(76,280)	(7,628)		*	(7,628)	76,280
Total Special Revenue Fund					(14,303)			82,955	(76,280)	(7,628)			(7,628)	76,280
Debt Service Fund:														
Debt Service Aid Type II	15-495-034-5120-017	91,723	7/1/14	6/30/15				91,723	(91,723)			*		91,723
State Department of Agriculture														
Enterprise Fund:														
State School Lunch Program	14-100-010-3350-023	1,707	7/1/13	6/30/14	(416)			416						
State School Lunch Program	15-100-010-3350-023	1,679	7/1/14	6/30/15				1,307	(1,679)	(372)		*		1,679
Total Enterprise Fund					(416)			1,723	(1,679)	(372)				1,679
Total State Financial Assistance Subject to OMB 04-04					(\$503,535)			\$5,055,740	(\$5,044,848)	(\$492,643)			(\$463,638)	\$4,864,013
On Behalf TPAF Contributions Not Subject to OMB 04-04														
On-Behalf TPAF Post Retirement Medica	15-495-034-5094-001	134,033	7/1/14	6/30/15				\$ 134,033	\$ (134,033)					
On-Behalf TPAF Pension Contribution	15-495-034-5094-006	212,777	7/1/14	6/30/15				212,777	(212,777)					
Total State Financial Assistance								\$ 5,402,550	\$ (5,391,658)					

See accompanying notes to schedules of financial assistance

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2015**

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Maurice River School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A.18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,149) for the general fund and \$6,675 for the special revenue fund. See Note 2 [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**NOTES FOR SCHEDULES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**

**JUNE 30, 2015**

(Continued)

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

	<u>Federal</u>		<u>State</u>		<u>Total</u>
General Fund	\$ 307	\$	5,220,827	\$	5,221,134
Special Revenue Fund	285,346		82,955		368,301
Debt Service	0		91,723		91,723
Food Service Fund	<u>107,659</u>		<u>1,679</u>		<u>109,338</u>
Total Awards & Financial Assistance	\$ <u>393,312</u>	\$	<u>5,397,184</u>	\$	<u>5,790,496</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

The Township of Maurice River School District had no loan balances outstanding at June 30, 2015.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

**NOTE 7: SCHOOL-WIDE PROGRAM FUNDS**

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

**NOTE 8: ADJUSTMENTS**

There were no adjustments required to be shown in the "Adjustments" column on Schedule A or Schedule B.



**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ X no  
none  
2) Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ X reported

Noncompliance material to basic  
financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_ X no

**Federal Awards** N/A

Internal control over major programs:

1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no  
2) Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ no

Type of auditor's report issued on compliance for  
major programs: N/A

Any audit findings disclosed that are required to be  
reported in accordance with section .510(a) of  
Circular A-133? \_\_\_\_\_ yes \_\_\_\_\_ no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<b>NO MAJOR FEDERAL PROGRAMS</b>	

Dollar threshold used to distinguish between Type A and type B programs: N/A

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes \_\_\_\_\_ no

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

**Section I - Summary of Auditor's Results (continued)**

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:     \$ 300,000.00

Auditee qualified as low-risk auditee?                               X   yes                                        no

Internal control over major programs:

1) Material weakness(es) identified?                                        yes                               X   no

2) Significant deficiencies identified that  
are not considered to be material  
weaknesses?                                        Yes                               X   none  
reported

Type of auditor's report issued on compliance for major programs:     Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with NJOMB  
Circular Letter 04-04 and/or 15-08                                        yes                               X   no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-084	Security Aid
15-495-034-5120-068	School Choice Aid
15-495-034-5120-085	Adjustment Aid
15-495-034-5120-097	Per Pupil Growth Aid
15-495-034-5120-098	PARCC Readiness

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

**Section II - Financial Statement Findings**

**Finding:**     None

**Criteria or specific requirement:**

**Condition:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

**Section III - Federal Awards and State Financial Assistance  
Findings and Questioned Costs**

**FEDERAL AWARDS**

**Finding:** NONE

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(continued)**

**Section III - Federal Awards and State Financial Assistance  
Findings and Questioned Costs  
(continued)**

**STATE AWARDS**

**Finding:** NONE

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 *Government Auditing Standards*, U.S. OMB Circular, A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

**STATUS OF PRIOR - YEAR FINDINGS**

There were no prior year findings.